



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.11 p.m. – 6.50 p.m.**

**Gibraltar, Thursday, 22nd September 2016**

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# The Gibraltar Parliament

*The Parliament met at 3.11 p.m.*

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

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

## STATEMENT BY THE HON. G H LICUDI

**Clerk:** Mr Speaker.

**Mr Speaker:** I have received notice from the Hon. Gilbert Licudi that he wishes to make a statement.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Thank you, Mr Speaker.

Mr Speaker, last Thursday, after answering questions on hot lunches for schools and after turning the microphone off and sitting down, I made an aside comment to the effect that the hon. Lady should get her facts right. In making that comment, I used a term which was unnecessary, uncalled for, excessive and out of character. I accept that I should not have used that term and for that I apologise to the House. (*Banging on desks*)

**Mr Speaker:** I welcome the Hon. Minister's statement.

May I now take the opportunity to explain that I did not hear the Minister's remarks on an aside, and so, on conclusion of last Thursday's proceedings in Parliament, I asked the staff to examine carefully the video and audio recordings of what transpired between the Hon. Gilbert Licudi and the Hon. Marlene Hassan Nahon. I myself have since watched and heard these recordings and at the maximum level of audio output it is not clear as to what exactly the Hon. Minister said. The Government's IT staff, those who are familiar with the equipment, were then asked by the Clerk to enhance the audio levels. It is then possible to confirm that the Hon. Gilbert Licudi did in fact use the 'F' word. However, I have to point out to hon. Members that since *Hansard* is not produced on the basis of enhanced audio levels, those words will not in fact appear in the record of last Thursday's proceedings.

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

**Hon. M D Hassan Nahon:** Mr Speaker, I am moved to hear the hon. Gentleman's words and wish to thank him for them.

In order to ensure that there are better procedures in future, I have written to you, Mr Speaker, to overcome the issue of independent Members not having access to tabled Opposition questions so that they can prepare more thoroughly for supplementaries. And, if the hon. Member is so willing, I would be happy to meet with him to share my reflections, especially on the matter of school lunches. I have no doubt this would help put the past behind us and build bridges for the good of our community.

Thank you. (*Banging on desks*)

**Mr Speaker:** Let me add that I have asked the Clerk that, in future, once the deadline for questions has passed and the questions have been sent to Government, then those questions asked by the official Opposition will be made available to the hon. Lady, the independent Member, and likewise her questions will be made available to the hon. Members of the Opposition, so that when they arrive here at Question Time they are aware, they know exactly what is likely to come up, and that will avoid any unfortunate suggestion that Members have not done their homework. They may not know exactly when a question is going to come up, but at least they will be able to prepare well beforehand and know that there are questions in which each of the Members of the Opposition may themselves be interested in pursuing. Okay?

**Hon. D A Feetham:** Mr Speaker, may I, as well, on behalf of the official Opposition, welcome the hon. Gentleman's statement. From this side of the House we had refrained from making any comment because we knew that the hon. Lady had made a complaint and we wished the matter to be dealt with by the Speaker before we made any kind of comment. Of course, having heard the hon. Gentleman's explanation and his apology to this House today, as far as we are concerned, the matter is closed.

**Mr Speaker:** I think we should all hope that on that basis we now have closure of the whole incident and we can proceed with other business.

## Questions for Oral Answer

**CHIEF MINISTER**

**Q534/2016**

**Bob Peliza Mews –  
Update**

**Clerk:** We now move to questions to the Chief Minister.  
We commence with Question 534. The Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please provide an update in respect of the construction of Bob Peliza Mews and is it still intended that Camoren Holdings Ltd be the developer and financier of this affordable housing project?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 535.

**Q535/2016**  
**Hassan Centenary Terraces –**  
**Update**

70 **Clerk:** Question 535, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please provide an update in respect of the construction of Hassan Centenary Terraces, and is it still intended that Camoren Holdings Ltd be the developer and financier of this affordable housing project?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, these projects are still progressing as planned and the Government expects construction to commence soon, as has always been the case.

80

Camoren Holdings Ltd continues to be the developer and continues to have the responsibility for arranging the finance for the project.

**Hon. R M Clinton:** Mr Speaker, would the Hon the Chief Minister have an idea as to an anticipated start date in respect of each project?

85

**Hon. Chief Minister:** Mr Speaker, no, sir. The position is that we expect construction to commence soon and we are committed to these homes being delivered during the lifetime of this Parliament.

90

**Hon. D A Feetham:** Mr Speaker, the last part of the answer by the Hon. the Chief Minister was that Camoren Holdings were responsible for the financing of the project. Does the Government know whether Camoren Holdings have indeed obtained the financing for this particular project; and, of course, the second question arising out of that is has Camoren Holdings then paid the premium to the Government in respect of this particular development?

95

**Hon. Chief Minister:** Well, Mr Speaker, neither of those questions arise from the principal questions, in my view. I can tell the hon. Gentleman that it is not a matter for the Government to determine how Camoren is going to raise this financing at this stage; it is a matter for the Government to be satisfied over the time we are ready to sign contracts.

**Q536-561/2016**  
**Gibraltar Capital Assets Ltd –**  
**Maturity Date, Interest Rate & Holder**

100 **Clerk:** Question 536, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please provide details of the loan notes issued by Gibraltar Capital Assets Ltd, identifying each monetary tranche by maturity date and giving the associated interest rate and holder?

105

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Questions 537 to 561.

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**Clerk:** Question 537, the Hon. R M Clinton.

**Hon. R M Clinton:** Sorry, if I may interrupt. Mr Speaker, did I hear the Chief Minister correctly? Did he say from –

115

**Mr Speaker:** From 537 to 561.

**Hon. R M Clinton:** All of them?

120

**Hon. Chief Minister:** Yes, Mr Speaker, from 537 to 561.

**Mr Speaker:** To 561, all of them?

**Hon. Chief Minister:** Yes, all of them, Mr Speaker.

125

**Hon. R M Clinton:** Mr Speaker, before I commence I must register my protest at this procedure in Parliament. I do not think it is appropriate or fair to lump together 30-odd questions in one go, as you yourself have expressed in the past.

130

**Mr Speaker:** Whilst I do not necessarily quarrel with the sentiments that the hon. Member has expressed, I am bound to inform him that this is not a precedent and that *Hansard* can be made available to him of previous years, when he will see that many more questions have in the past been answered together.

135

In order to help him, unless the Chief Minister disagrees, I think he ought to be and he could be made available with the answer to the question. Otherwise, it is not very easy to identify what applies to what. Is the Chief Minister agreeable? It is up to him, it is his prerogative.

**Hon. Chief Minister:** I am grateful for your indication. I do not think that issue will arise.

140

**Mr Speaker:** Sorry?

**Hon. Chief Minister:** I do not think that issue will arise from the answer.

145

**Mr Speaker:** Once the Chief Minister has made his main answer, make it available to the hon. Member and to the Speaker, because I do not have it myself either.

**Clerk:** Question 537, the Hon. R M Clinton.

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**Hon. R M Clinton:** Mr Speaker, I will apologise for my speed of delivery.

**Mr Speaker:** No problem, carry on.

**Hon. D A Feetham:** What about Question 536? It is 536, not 537. *(Interjection)*

155

**Hon. R M Clinton:** No, he has not done Question 536. It is 536 to 561. I have read Question 536.

Mr Speaker, can the Government please advise whether loan notes issued by Gibraltar Capital Assets Ltd were issued at par?

160

**Clerk:** Question 538, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please advise if the £300 million raised by Gibraltar Capital Assets Ltd is to be used to refinance public debt; and if so, how?

165 **Clerk:** Question 539, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise what is the interest cover covenant set out in clause 11.2 of the Note Purchase Agreement issued by Gibraltar Capital Assets Ltd?

170 **Clerk:** Question 540, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government explain the role of James Stocks & Co Ltd as financial adviser to Gibraltar Capital Assets Ltd?

175 **Clerk:** Question 541, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please advise the agreed assets cover ratio of the Loan notes issued by Gibraltar Capital Assets Ltd and the valuation of the estates as at the date of completion?

**Clerk:** Question 542, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise the length of the under leases obtained by Gibraltar Capital Assets Ltd over the six housing estates and what consideration was paid if any?

**Clerk:** Question 543, the Hon. R M Clinton.

190 **Hon. R M Clinton:** Mr Speaker, can the Government please advise who forms part of the nomination and remuneration committees of Gibraltar Capital Assets Ltd?

**Clerk:** Question 544, the Hon. R M Clinton.

195 **Hon. R M Clinton:** Mr Speaker, can the Government please advise who are the appointed auditors of Gibraltar Capital Assets Ltd?

**Clerk:** Question 545, the Hon. R M Clinton.

200 **Hon. R M Clinton:** Mr Speaker, will the Government undertake to table in Parliament audited accounts of Gibraltar Capital Assets Ltd?

**Clerk:** Question 546, the Hon. R M Clinton.

205 **Hon. R M Clinton:** Mr Speaker, can the Government please explain why no civil servants – nor in fact GDC (Directors) Ltd nor the Financial Secretary – are Directors of Gibraltar Capital Assets Ltd?

**Clerk:** Question 547, the Hon. R M Clinton.

210 **Hon. R M Clinton:** Mr Speaker, can the Government please advise how much each of the professional advisers in the Gibraltar Capital Assets Ltd transaction, including Royal Bank of Canada Capital Markets, have been or are due to be paid, identifying each party?

215 **Clerk:** Question 548, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise if the change in definition of the public debt limit suggested by the Financial Secretary was in any way linked to the conception of the £300 million loan notes issuance by Gibraltar Capital Assets Ltd, which was also, it would appear, suggested by the Financial Secretary?

220 **Clerk:** Question 549, the Hon. R M Clinton.

225 **Hon. R M Clinton:** Mr Speaker, can the Government please outline the terms of the Rent Collection and Property Management Agreement and the Property Maintenance and Repair Agreement as regards Gibraltar Capital Assets Ltd and the Government of Gibraltar?

**Clerk:** Question 550, the Hon. R M Clinton.

230 **Hon. R M Clinton:** Mr Speaker, can the Government advise how many Government rental units are caught by the mortgage over the six housing estates, namely Varyl Begg Estate, Moorish Castle Estate, Laguna Estate, Alameda Estate, Glacis Estate and Mid Harbour Estate; and what proportion does that represent of total Government housing stock?

**Clerk:** Question 551, the Hon. R M Clinton.

235 **Hon. R M Clinton:** Mr Speaker, can the Government confirm that the Minister for Housing has signed a tenancy agreement with Gibraltar Capital Assets Ltd in respect of Moorish Castle Estate, Glacis Estate, Laguna Estate, Alameda Estate, Mid Harbour and Varyl Begg Estate; and, if so, what are the terms of such an agreement?

240 **Clerk:** Question 552, the Hon. R M Clinton.

245 **Hon. R M Clinton:** Mr Speaker, can the Government advise the valuation basis for the consideration paid by Gibraltar Capital Assets Ltd for the underleases granted by Gibraltar Residential Properties Ltd in respect of Moorish Castle Estate, Glacis Estate, Laguna Estate, Alameda Estate, Mid Harbour and Varyl Begg Estate?

**Clerk:** Question 553, the Hon. R M Clinton.

250 **Hon. R M Clinton:** Mr Speaker, can the Government advise how much Stamp Duty was charged in total on the issue of the underleases granted by Gibraltar Residential Properties Ltd to Gibraltar Capital Assets Ltd, in respect of Moorish Castle Estate, Glacis Estate, Laguna Estate, Alameda Estate, Mid Harbour Estate and Varyl Begg Estate?

255 **Clerk:** Question 554, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, has the Government obtained confirmation from Gibraltar Capital Assets Ltd that it has insured Moorish Castle Estate, Glacis Estate, Laguna Estate, Alameda Estate, Mid Harbour and Varyl Begg Estate?

260 **Clerk:** Question 555, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, is the Government aware that Gibraltar Capital Assets Ltd has, by way of mortgage covenant, agreed that the benefits of any property insurance over the six



265 housing estates is assigned to Prudential Trustee Company Ltd as security trustee for the noteholders in its sole discretion?

**Clerk:** Question 556, the Hon. R M Clinton.

270 **Hon. R M Clinton:** Mr Speaker, can the Government please explain the early repayment feature agreed to between Gibraltar Capital Assets Ltd and its noteholders?

**Clerk:** Question 557, the Hon. R M Clinton.

275 **Hon. R M Clinton:** Mr Speaker, can the Government please explain the terms for the Government to purchase the notes issued by Gibraltar Capital Assets Ltd from the noteholders in accordance with the 'Call and Put Option Agreement'?

**Clerk:** Question 558, the Hon. R M Clinton.

280 **Hon. R M Clinton:** Mr Speaker, can the Government please explain the terms whereby the noteholders of Gibraltar Capital Assets Ltd may put, or rather force, the purchase by the Gibraltar Government of the notes and the terms of, I quote, the 'Call and Put Option Agreement'?

285 **Clerk:** Question 559, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government explain how the option fee of £122 million was calculated and by whom in respect of the agreement for surrender entered into on 23rd March 2016 between Gibraltar Capital Assets Ltd of the first part, Ernest Gomez, Chief Secretary, for and on behalf of Her Majesty's Government of Gibraltar of the second part, and Gibraltar Residential Properties of the third part?

**Clerk:** Question 560, the Hon. R M Clinton.

295 **Hon R M Clinton:** Mr Speaker, can the Government advise how it is intended that Gibraltar Capital Assets Ltd will obtain revenue to service capital and interest payments?

**Clerk:** Question 561, the Hon. R M Clinton.

300 **Hon. R M Clinton:** Mr Speaker, can the Government please advise how much in the way of director's fees it is intended to pay each of the directors of Gibraltar Capital Assets Ltd, as identified by the Chief Minister in his Budget address?

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

305 **Chief Minister (Hon. F R Picardo):** Mr Speaker, with your leave for the speed of my reply, James Stocks & Co Ltd were engaged as the financial advisers for the transaction and their role was to manage the transaction process from start to finish, including arranging for a valuation of the estates, advising on the structure of the transaction, co-ordinating the work of the professional advisers and the preparation and finalisation of the offering memorandum for investors, amongst others.

310 As at the date of completion, the estates were valued at £370 million. The asset cost ratio was therefore 1:23.

315 Mr Speaker, the underleases obtained by Gibraltar Capital Assets Ltd were for a term of 149 years.

The housing estates were already held under the Government-owned company structure by the time we were elected; in other words, before 9th December 2011.

Other than Mid Harbour Estate, which was originally financed by the then GSD administration through Government-owned companies from its inception, all other estates were transferred to  
320 the Government-owned companies by the former GSD Government at nil consideration.

There are no nomination and remuneration committees of Gibraltar Capital Assets Ltd. All executed decisions are the responsibility of the directors of the company.

The appointed auditors of Capital Assets Ltd is PricewaterhouseCoopers (PWC), who all hon. Members will know is one of the biggest accountancy practices in the world.

325 As has been the case with other Government-owned companies for many years under the GSD when they were in administration, the accounts of these companies are not tabled in Parliament, nor at the time that they were in Government were they filed at the Companies Registry for the public to have access to them. The GSLP Liberal Government now in  
330 administration will, however, file in public at the Companies Registry all the accounts for the Government companies, both those that the GSD failed to file and those due for our time. That includes the accounts, of course, for Gibraltar Capital Assets, which will be entirely public.

Finally, Mr Speaker, the financing arrangements entered into by Gibraltar Capital Assets Ltd are quite complex and the relevant documentation running into many hundreds of pages of technical detail. They are also, of course, commercially sensitive and we do not believe that it is  
335 right in this forum to provide a detailed dissection of the terms of the agreements, other than to focus holistically on the arrangements, as I have already done at the time of the Budget, and give the information I have been able to give this afternoon.

Since most of the questions being asked by the hon. Member in any event are about the technical details of the transaction, it would be best to address these by way of a separate  
340 meeting with the technical experts rather than by way of open exchanges in the House. I would therefore be happy to host such meetings for the benefit of two GSD Members opposite and for the independent Member also – and, Mr Speaker, the coffee will be on me.

**Hon. R M Clinton:** Mr Speaker, as you will appreciate, having asked 30-odd questions it is  
345 rather hard for me to go back and assimilate the Chief Minister's reply and try and pigeonhole those into questions. Would you allow a recess?

**Hon. Chief Minister:** Mr Speaker, I would not think it is appropriate to have a recess simply to think about an answer that has been given. One is expected to be able to deal with this  
350 information quite quickly. I mean, we have had occasions where we have been required to ask 50, 60, 70 or 100 questions and then deal with it. All that there is, Mr Speaker, is the information the hon. Gentleman asked for and an invitation to a meeting to provide the other information which we are not able to give across the floor of the House. I would have thought it was  
355 imminently reasonable.

**Mr Speaker:** As far as the Rules are concerned, if a Member of the Opposition puts down a question for oral answer, strictly speaking under the Rules they are not entitled to receive anything other than an oral answer.

When a number of questions have been lumped together, as they have been lumped today, I  
360 have taken the liberty myself ... and on one occasion a Minister rightly exercised his right to object because he could always say, 'Well, look, the questions have been put down for oral answer and I have given an oral answer. If they want something else, if they want to see the written answers, then they should have asked for written questions instead.' So I have taken that initiative since I became Speaker, in order to help Members of the Opposition to do their  
365 work here in the House most effectively, and that is what I had intended to do today, because there are 20-something questions that have been answered. However, the answer that the Chief Minister has given is not that long – it is not a lengthy answer. We will make it available to the

370 hon. Member as soon as we have it and we can photocopy it, and I will then give him an opportunity, without recessing the House, to come back and ask supplementaries arising from that answer. Is that clear?

375 **Hon. R M Clinton:** Mr Speaker, I am grateful for your guidance, as ever. I have one problem, in that yes, a lot of my questions are technical in nature, but a lot of them are factual. I wonder if the Chief Minister could clarify for me how is it that 'How much stamp duty is collected on the sale of properties?' is such a technical question that he cannot come to this House with the answer? I am sure it is a perfectly easy question and an easy answer. Perhaps you could guide both of us as to what is deemed to be too technical for this House?

380 **Hon. Chief Minister:** Mr Speaker, it is not that anything is too technical to be able to calculate what the stamp duty is. It is that I am making what I think is actually a very generous offer, the like of which this House has not seen before, which is to invite the hon. Gentleman and a colleague of his, of his own choosing – I do not have to presuppose who it might be that might turn up – to sit down with me and with the experts who have advised us, to give him chapter and verse of that which is fact and that which is related to the other parts of the deal, the complexities of the detail, including that stamp duty information, if he wishes it – that is a straightforward calculation – in the context of what I think is indeed something which is ground-breaking, generous and is really reaching out to the other side to help them to understand why this is such an excellent transaction for Gibraltar.

390 I would have thought, Mr Speaker, that although they may wish to ask a little more about some of what I have said, the first port of call might be to have the meeting. If we are going to try and approach an issue as important as this in a way that is in keeping with our obligations to try and work together for the benefit of Gibraltar, let's meet, let's get round the table, let us give you the detail, let us explain some of those complexities, let us even – as I often am prepared to do, but I find that very often my offer is turned down – let us share some details with you confidentially. You may see, once we share that information confidentially, why it is that it is market sensitive and why it is that it is not something that can be shared across the floor of the House. Hon. Members will know, I would have thought, that the hon. Member, more than others would know, that in banking arrangements and in commercial arrangements it is sometimes the lender as well who has terms that they do not want to be put out publicly, because they have others in the market to whom they are offering different terms. We have secured very favourable terms for Gibraltar and I am quite happy to sit down, have the discussion, exchange the information, tell him what bits of the information we are happy for them to refer to publicly and which bits we are not. After that, there might still be room for an argument if the hon. Members really, really do want an argument, but it may be that there is not.

400 I will not ask them, if we persuade them, to come out publicly and say that this is an excellent deal. They may just wish to keep their counsel. But can I suggest that they accept our offer that we get round the table and that we do what Gibraltar expects, which is to work together for the good of our community.

410 **Hon. R M Clinton:** Mr Speaker, I welcome the Chief Minister's offer for a briefing on what is obviously, from the dossier of the managed accumulator, a complex transaction. I would have to confer with the Leader of the Opposition as to whether it is an offer and what terms their offer would be, and, if so, to what degree we would be bound by confidentiality. It might be that your own advisers have bound the Government, and obviously by sharing it with us then we would have to be bound as well.

**Mr Speaker:** I think we should now carry on with Question 562. The Chief Minister's answer is going to be made available to the Opposition. Study it, look at it, and if you wish to ask any supplementaries do so – which we can do at any moment later on today.

**Hon. R M Clinton:** Mr Speaker, unfortunately, I think we have moved beyond the question, in the sense that the Chief Minister's offer is something entirely separate to asking questions that have been tabled. The suggestion is that we sit round the table outside this House and go through the complexities of the transaction. Therefore, the question of coming back with supplementaries is not really the issue. The issue at stake now really is ... or what is being discussed is whether the Opposition is really in a position to consider to accept the suggestion as proposed by the Chief Minister – and I need to consult with my Leader.

**Mr Speaker:** I understand perfectly well, but that of course is not an issue for me. The issue for me is to get on with the business before the House.

**Hon. Chief Minister:** Mr Speaker, if I can be of assistance to you and to other hon. Members, I do not need an answer today. I am quite happy for the hon. Members to get in touch with me and we can just fix a date, or not fix a date, and they can come back at the next meeting of the House.

I do not anticipate that there is any speculation in Gibraltar about an early election next May – that is only in the UK – so there will be many other meetings of the Parliament before the next election if they are dissatisfied with the arrangements I propose for a meeting. But, for now, can I propose that this way of proceeding may obviate the need for unnecessary conflict in this House and a suggestion that we may not be willing to give information where hon. Members, when they see it, perhaps might say, 'Well, fair enough, we understand why that is the case.' And, Mr Speaker, I think it is perhaps, I accept, a novel way of dealing with parliamentary business, in the sense that it opens up an opportunity for hon. Members to understand from the inside why an arrangement has been done in the way that it has been done and for the reasons why we think it is the best possible arrangement for Gibraltar, but I do commend it to them. It may be that if this works well it may open the doors to working well together in other areas.

**Hon. D A Feetham:** If I may, Mr Speaker, there are two separate issues. One is the invitation to meet in order to explore some of the technical aspects in relation to this particular transaction. The other separate strand is, of course, supplementaries, should we choose to ask supplementaries, because I can foresee that I have some supplementaries in relation to this. So can I therefore commend Mr Speaker's suggested course of action that we just park it for now and that we come back to it in relation to supplementaries, because there are going to be supplementaries in relation to even the answer that the hon. Gentleman has given.

**Mr Speaker:** We have done that previously, there is no reason why we cannot do it again.

**Q562/2016**  
***Sunborn* –**  
**Rescheduling of loan**

**Clerk:** Question 562, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise if the *Sunborn* loan has been rescheduled at any time since the date of original issue by Credit Finance Company Ltd?

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

465 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as the hon. Members are aware from previous  
question and answer sessions, the detail of this loan is commercially sensitive and cannot  
therefore be made public in the House. They must therefore only be asking in order to create  
further negative bluster about the excellent initiative taken by this Government to bring the five-  
star *Sunborn* Floating Hotel to Gibraltar. Everyone else has welcomed it, Mr Speaker – I wonder  
470 why they do not.

In addition, Members opposite for the GSD spent much of the last four years predicting the  
failure of the *Sunborn* project before the last election. It did not happen and I guess they are still  
hoping against hope that they can create enough negative publicity around the project so that  
their dream of its failure might come true. What a pity they are so negatively motivated.

475 **Hon. R M Clinton:** Mr Speaker, I believe only last week you were encouraging us not to make  
political statements in answering questions or asking questions. I think the Chief Minister has  
just made a political statement.

I only asked a simple question: has it been rescheduled or not? It is obvious he is not willing  
480 to answer the question, as he has stated.

**Hon. Chief Minister:** Well, Mr Speaker, because if hon. Members are not going to be taken to  
have been politically born the day that they were elected they will know that this was an issue  
where we exchanged views during the course of the lifetime of the last Parliament, where this is  
485 a loan not granted by the Government but by a Government company, that the terms are  
confidential because Credit Finance Company Ltd is the lender and lenders are not able to talk  
about the terms of their lending to third parties. Therefore, either to come here and ask that  
question is to try and be political – pretending not to – or to be completely at a loss as to what it  
was that has previously been debated in this House about this matter.

490 So, Mr Speaker, it is not that the Chief Minister is failing to comply with Mr Speaker's  
indication that one should not be political; it is that the last time you checked, the Chief Minister  
of Gibraltar was a political office.

**Hon. D A Feetham:** Mr Speaker, yes, we are of course dealing with a Government-owned  
495 company in Credit Finance – that is what it is – using money from savers, and indeed taxpayers'  
money as well because there is £30 million from the taxpayer in Credit Finance Ltd, in order to  
provide loans to third parties. That is the context in which I ask the question.

Mr Speaker, in 2014 I asked the Hon. the Chief Minister whether the *Sunborn* had paid its  
loan on its due date. That was the question – not in exactly those words, paraphrased – I asked  
500 him in 2014. The Hon. the Chief Minister stood up and said yes, so he confirmed that.

What is the difference in substance between the answer that he gave me then – which was  
not, according to him, a commercially sensitive answer – and today, when the hon. Gentleman  
asks him whether the debt to the *Sunborn* has been rescheduled? In other words, he is asking, in  
a different way, the same question: whether the *Sunborn* has paid its debt on its due date or  
505 whether there has been some reschedule of the loan. What is the difference?

**Hon. Chief Minister:** Mr Speaker, it is not only in Gibraltar that Government-owned  
companies grant loans to third parties, although there are some in Gibraltar which are not Credit  
Finance Company Ltd. There is one called Royal Bank of Scotland, there is one called National  
Westminster Bank, there is one called Gibraltar International Bank and there is one called Lloyds  
510 Bank, although they are no longer doing lending in Gibraltar. Mr Speaker, nobody would pretend  
to ask either the Prime Minister of the United Kingdom, or the Chief Minister of Gibraltar in  
relation to GIB, to confirm the details of any lending that those entities do. But, as the hon.  
Gentleman knows, because it was *his* gambit which did not pay off, they tried to make it

515 something which was a political issue to try and scare savers into thinking that they should not  
deposit moneys with the Gibraltar Savings Bank – something, Mr Speaker, which did not just  
work for them but actually was a huge advertisement for people to deposit more money with  
the Gibraltar Savings Bank, given that it was obvious it was now being prudently managed.

Therefore, Mr Speaker, at the time, what the hon. Gentleman was trying to do was create the  
520 spectre – funny, that was the name of the naughty organisation in the latest James Bond film –  
of the possibility that somehow savers' money might not be repaid, and it was important that  
we should confirm that. I had cleared with the directors of Credit Finance Company Ltd and with  
the borrower, with *Sunborn*, that if that question came – because it is not as if we do not see the  
hon. Gentleman coming – we would be able to answer it clearly in that way.

525 What one is left with, Mr Speaker, however, is that they appear not to have learned their  
lesson. They appear not to have realised that those tactics did not work. What is clear is that on  
this side of the House there is a five-star team looking forward to a bright future for Gibraltar,  
and opposite, absent the hon. Lady, there is just a usual dingy B&B team just talking about  
taking us back to the past.

530 **Hon. D A Feetham:** Well, Mr Speaker, I am glad that the people of Gibraltar can see that it  
only takes one minor push for his reasonableness mask to slip off, because that is what we have  
seen in the answer that he has just given. He has been all 'butter could not melt in the hon.  
Gentleman's mouth' during the course of this afternoon, except when I stood up and asked the  
535 first difficult supplementary – and then the mask slips.

Mr Speaker, he has not answered the question. If, in 2014, when I asked 'Has the *Sunborn*  
paid the debt on its due dates?' he said, 'Yes, sir, it has,' and today the hon. Gentleman asked  
the question 'Has the *Sunborn* loan been rescheduled at any time since the original issue by  
Credit Finance?' and he says it is commercially sensitive, what has changed? From our point of  
540 view, to use the colloquial, the answer stinks. It looks as if the hon. Gentleman has something to  
hide. In 2014, yes, it was paid on its due date; today, all of a sudden, the whole thing becomes  
commercially sensitive. Could he please give a straight answer to a straight question?

545 **Hon. Chief Minister:** Mr Speaker, the test of reasonableness is a subjective one, as the hon.  
Gentleman knows. It is he actually who looks entirely unreasonable from this side, so if I look  
unreasonable to him I am not surprised. The man on the Clapham omnibus would judge us, if we  
were in London, and Juan Alcantara, a very learned and distinguished member of our judiciary,  
once said, 'It is the man at the piazza who will judge us in Gibraltar. They will be the barometer  
of reasonableness.'

550 I think it is not unreasonable at all, Mr Speaker, to stand up and give the same answer that I  
have been giving for some time to the hon. Gentleman in relation to the very easy questions  
that he poses. One of the problems the hon. Gentleman has is that he has not yet, in the time  
that he has been Leader of the Opposition, been able to ask us a question to which we have not  
been able to give the answer. He does know that he sometimes asks us questions which we are  
555 unable to give answers to because of legal obligations, and he does that in the attempt to  
suggest that we are not transparent. So he may as well get up and say to me, 'Will the Hon. the  
Chief Minister please provide the medical records of every Gibraltarian to the Opposition and  
read them out in this House' – because he knows that we are bound equally not to disclose that.  
But if he thinks that simply by getting up and saying that I am not being reasonable, that my  
560 mask has slipped, that butter would not melt in my mouth before and that immediately he  
springs up he somehow has a different effect, I will tell him that I am not enjoying my butter as  
much as I used to these days, as people might see, and that a lot has turned into yoghurt in my  
mouth – unfortunately, of the Greek and slimming variety – but it has got nothing to do with his  
questioning. But what is clear, Mr Speaker is that as a B&B he cannot ever go full board.

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**Q563-567/2016**

**Government employees –  
Secondments; promotions; union convenors; recruitment**

**Clerk:** Question 563, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, further to Question 440/2016, can the Government provide details as to the reasons for the external secondments into the Department of the Environment and for what period is this situation expected to continue?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Questions 564 to 567.

**Clerk:** Question 564, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, further to my Question 442/2016, in answer to which the Chief Minister stated that it had not been possible to provide the information in the time available, is he now in a position to do so?

**Clerk:** Question 565, the Hon. D A Feetham.

**Hon. D A Feetham:** Further to my Question 443/2016, is the Government now in a position to provide details of which employees in the public sector, Government-owned companies, authorities and/or agencies are currently temporarily promoted, detailing acting posts, date temporarily promoted and department?

**Clerk:** Question 566, the Hon. D A Feetham.

**Hon. D A Feetham:** Further to my Question 445/2016, that dealt with the disclosure of allowances given to union convenors, is the Government now in a position to provide the information requested to my original question?

**Clerk:** Question 567, the Hon. D A Feetham.

**Hon. D A Feetham:** Further to my Question 446/2016, is the Government now in a position to state how many people are being promoted in the public sector, Government-owned companies, agencies and/or authorities without advertising or circulating bulletin in this respect, as requested in my original question?

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

**Hon. Chief Minister:** Mr Speaker, the reason for these secondments, as asked in relation to Question 563, is to increase manning levels during the tuna season. The secondments are for an initial period of three months.

No persons have been recruited into the public sector, as asked in Question 564, without the vacancy being advertised to the general public.

In relation to Questions 565 to 567, I have reviewed the answer provided by the Human Resources Department and I believe it is not reliable. I have asked that it be checked against the data and the answers that I have previously provided. I will write to the hon. Gentleman once it has been checked again. The hon. Gentleman sometimes asks, when I tell him that I will look at

it again, whether he has to write to me. On this occasion, I am happy to undertake to send him the answer as soon as it is provided to me.

**Q568-569/2016**  
**Contracts for goods and services –**  
**Details of companies and consultants**

**Clerk:** Question 568, the Hon. D A Feetham.

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**Hon. D A Feetham:** Mr Speaker, further to my Question 454/2016, can the Government now provide details of persons and companies who, since March 2012, have been awarded a contract for goods and services by direct allocation for more than £20,000? And I put a note in that question saying 'one contract'.

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

**Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, we interpreted it as being one contract per annum.

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I will answer this together with Question 569.

**Clerk:** Question 569, the Hon. D A Feetham.

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**Hon. D A Feetham:** Mr Speaker, further to my Question 445/2016, is the Government now in a position to provide details of the names and remuneration of all consultants currently engaged by Government, Government-owned companies, authorities or agencies, whose disclosure will not damage the national interest, as requested in my original question?

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

**Hon. Chief Minister:** Mr Speaker, as far as the Government has been able to ascertain, all but one such parties are listed online or are specifically provided for in the Estimates. The only party we have been able to identify is OSG Security in respect of the contract for the provision of security at No. 6 Convent Place. Those details are being added to the website online content at the next revision date, Mr Speaker.

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**Hon. D A Feetham:** Mr Speaker, surely that is the answer to Question 568, but there is no answer to Question 569. I have read two questions – the OSG Security is in answer to Question 568, not 569.

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**Hon. Chief Minister:** No, Mr Speaker, it is in answer to both because the preamble to my mentioning that company is, as far as the Government has been able to ascertain, all but one such parties are listed online, and that deals with the first and the second question.

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**Hon. D A Feetham:** Yes, Mr Speaker. It may be possible, bearing in mind the answer that the hon. Gentleman has given, to undertake an exercise and compile every single list of consultants that are online, except OSG Security, and the contracts. But, Mr Speaker – and I know that he is not going to agree with me and he will not provide the answer – quite frankly, when you are talking about potentially hundreds of entities, when you are talking about hundreds of these contracts, and I am asking a question here in this House, surely the Government ought to be able to provide me with that answer and actually list the number of consultants that are

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being retained by the Government, Government-owned companies and authorities. That must be easily capable of ascertainment by the Government, because it must have a list somewhere, rather than effectively navigate my way through all the information in the Government website and in the various headings in the Government website in order to compile this information myself – and that is the practice that I commend the hon. Gentleman.

**Hon. Chief Minister:** Mr Speaker, I entirely understand the hon. Gentleman's position. He should not think me so automatically contrary to providing him the answer. I am surprised that he gets up assuming that he is not going to get a positive response. I come armed with a lot of information, Mr Speaker. A lot of cross checking has been done. You see, the hon. Gentleman can do it himself. All he needs to do is to press 'print' on the list that is available online of the Government consultancies and of all the other information that he has asked for. He can press 'print'. It is publicly available information.

But Mr Speaker, I commend that not just to the hon. Gentleman; I commend it to every citizen, because this Government has put online all of the information that was previously secret. We have kicked open the floodgates of all of this information. It is available for every member of our community to see.

Mr Speaker, I think if we have made a mistake it is not to remind people often enough, because the amount of information available when the hon. Gentleman asks me these widely cast questions ... I have been in Opposition – I understand that you do that, Mr Speaker. For me to be able to stand up in this House and to say, proudly as I am, that all of the information is actually online except for one company with one contract that has been missed – which is going to be uploaded ... I think it is commendable to be able to say that. It is not as if the hon. Gentleman needs to trawl. I understand that there are just one or two places that he needs to go on a particular part of the website, which actually is really a place that only Government and Opposition tend to go, unless there are other boffins out there who might care, with us, to enjoy trawling through it.

But, Mr Speaker, to also ask me to print it out for him and to bring it on a silver platter almost makes me think that he might be falling for what he considers to be the mortal sin: the *a mí me pertenece* culture. Mr Speaker, I am not a *pertenece*. It is not for him that I should be there, slaving over my hot printer to bring him the information. I am sure that his firm can extend to a few sheets of A3.

**Hon. D A Feetham:** *Our firm. Our firm, yes, of course – our firm.*

No, Mr Speaker, I have to say I thought that the hon. Gentleman was going to have a surge of generosity today. I have seen another face to the hon. Gentleman, another side to the hon. Gentleman that I have not seen in quite a long while, this afternoon. I thought he was going to be providing me with a list.

If I understood it correctly, what the hon. Gentleman is saying is that in the Government website, under the two headings relating to consultants and contracts I would effectively be able to print out a list and there is no one that has been excluded from that list, except for OSG Security. That is one question, Mr Speaker.

Of course, let me also say this to the hon. Gentleman: that when we elicit information in this House, we are not only eliciting information – as he well knows; he has done this job – for the purposes of the Opposition in its ability to hold the Government to account, but of course we have also got *Hansard*. Any answers that are provided in this House are answers that appear in *Hansard*, so that the general public can also see not only the question but the answer.

But, of course, the hon. Gentleman is going to be immovable and is not going to be willing to provide me with the list that he has, which can stand as the answer as well to a supplementary in *Hansard*, so that anybody who reads my supplementary can also see the answer, including the list of these contracts and consultants.

**Hon. Chief Minister:** Mr Speaker, I do not know whether the hon. Gentleman was trying to, himself, appear to be something that he is not with this semblance of generosity, but he is here to elicit information, he says – but not public information, surely. If something is already public, then he is not in his job to seek that information again so it be recorded in *Hansard*, because in fact this Parliament, in common with most other parliaments, has a rule that if you are there to elicit information it is not information which is already in the public domain. Otherwise, we could spend hours here just putting down into *Hansard* everything which may be relevant to our future existence, as if it were a time pod, Mr Speaker, and *Hansard* is not that.

If there is something which is public, then that is it. I must say, when he reads the *Hansard* of what he has said today he will think he was left with no arguments and perhaps he should have just remained sitting, because to say that because it is available publicly I should nonetheless bring it here so that it can be put in *Hansard* really avails him of absolutely no argument whatsoever.

He is right, Mr Speaker, I have done the job that he is doing. There are those who say it is the hardest job in politics. Done well, you can go from there to here in eight months. (*Laughter*) I never did it for quite that long, Mr Speaker, but perhaps it was because I did it slightly better than him. He is right to say, therefore, that it is not just me, it is the Rules, and the rules of every parliament in the world, that make me immovable on this point. But he will want to be pleased – as will other members of this community – to know that I am as immovable on all other matters, in particular in relation to the sovereignty of our nation.

**Mr Speaker:** The reality is that the Rules of Parliament, which go back more than 10 years, have not caught up with the reality of the technological world in which we live. If hon. Members look at rule 17(1), sub-paragraph (xv), it says:

a question shall not be asked seeking for information set forth in accessible documents or ordinary works of reference.

What are ‘accessible documents’ or ‘ordinary works of reference’ in today’s world, given the availability of so much information in Government websites and so on? I think it is for Members, particularly the Select Committee, to consider this situation and bring these Rules up to date as soon as possible.

**Hon. D A Feetham:** Mr Speaker, that rule has always been interpreted as meaning any information in the public domain. That is the reality.

**Mr Speaker:** That is correct.

**Hon. D A Feetham:** So there is no difficulty. Certainly nobody is going to push back in relation to this. But the reason why I have asked those questions is – yes, I know that there is a list of consultants – to make sure that nothing from there has escaped the net.

My issue – and the hon. Gentleman is, strictly, right, and I accept that – is that if I have asked a supplementary and he has got the information because he has actually got the list of consultants and he has got the list of contracts there, quite frankly it would be very useful, not only to myself but I think the members of the public who hear Parliament and look at *Hansard*, to actually have the list in answer to my supplementary. But the reality of the situation is that the answer from the Government is, ‘It is there – there is nobody other than this particular security company.’ I will now cross-refer the particular names that I have with the list that is on the website to see whether that is a correct answer or is not a correct answer, and, if it is not, I will come back.

**Hon. Chief Minister:** I am grateful, Mr Speaker, that the hon. Gentleman has for once acknowledged that my answers have been correct as to what it is that I have been saying to him. I refer him, Mr Speaker, to the whole of what I said, which is that we have been able to ascertain that all but one such parties listed are online or are specifically provided for in the Estimates.

**Q570/2016**  
**Private housing initiatives –**  
**Details**

760 **Clerk:** Question 570, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please provide more detail on how the Budget measure introduced during his reply, said to promote private housing initiatives for private rentals, is intended to work?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, Parliament will recall that the Budget took place in the aftermath of the Brexit vote. One issue that concerned many of the large companies with key staff living in Gibraltar is the impact of a fluid frontier becoming less fluid. Many of these companies would prefer their staff to be housed in Gibraltar, but at the present the housing sector promotes either high-end accommodation or 50-50 accommodation geared to individuals who are eligible for it. Many of these key workers in these sectors that are important to Gibraltar do not fall into either of these categories and therefore the Government, in consultation with construction companies and companies in these sectors, wish to promote the building of homes for key workers.

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During the period of the Budget, the Government was approached by a number of parties with the request to create some financial incentive to allow for the funding and ownership of properties geared to the key worker rental market. These parties included developers, companies in the relevant sectors who might wish to own these properties and wealthy individuals who would consider investing in these properties as they could provide a good return.

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The exemption of rent for two years occurring if a property is constructed within the next 30 months is therefore intended to accelerate construction to coincide with the implementation of any Brexit decision, thereby ensuring that the properties are constructed by that time.

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It will be appreciated that these properties will be different to those in either of the aforementioned categories and the rents that can be charged and the value of these properties are likely to be much less than the rental properties that are presently available in the Gibraltar rental market.

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This measure was introduced to stimulate quick construction and ultimately the ownership of the properties by companies and individuals that might find the return provided by these properties interesting in this low interest rate environment.

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**Hon. D A Feetham:** Yes, Mr Speaker, but what is the actual incentive that the Government is actually providing in relation to the construction of these particular properties? That is the one thing that I have not understood in his answer.

**Hon. Chief Minister:** Well, Mr Speaker, that anybody who purchases a property from the developer and then rents it is going to have that rent be tax free for two years. So it becomes

800 very attractive for people to purchase for subsequent rental, and therefore it becomes easier for  
the developer to do the pre-sales to bank the development and get it off the ground.

**Hon. D A Feetham:** So, effectively, will the developer have to allocate the entirety of the  
building that it is building to these flats, subject to these two-year tax free schemes, for the  
805 Government to basically certify that that building is subject to this incentive scheme? Or does  
the Government envisage that, for example, it could also be open to developers that may build  
an apartment block, but say, 'We only want 20% of the building to be subject to the incentive  
scheme'? How is it going to work? How is the Government going to certify that these particular  
developments are going to be subject to this particular incentive scheme?

810 **Hon. Chief Minister:** Mr Speaker, the Government is not going to do that. The Government is  
not going to require the developers to set aside a particular amount of properties or anything  
like that. What the Government is going to do is stimulate the development market by allowing  
the developers the opportunity of selling, so that anyone who is going to buy from them is going  
815 to have that advantage.

We think it is something that can operate freely in the market for the period of these  
30 months. It can affect large developments or it can affect small developments, all of which  
would nonetheless be available in that context: in the context of a buy-to-let market which has  
been developed for those who might need to rent here because it might be harder to get across  
820 the Frontier – although we all, of course, hope that that will not be the case.

**Hon. D A Feetham:** But could it be subject then to people who already own flats, for  
example, and who may wish their flats to be rented out? What I am trying to explore is, what are  
the minimum criteria that the Government will impose in relation to this? Is it a minimum  
825 criteria in terms of the rent that is chargeable? Is it by the size of the flat? Because, unless one  
certifies ... This is what was going through my mind. Unless the Government says, 'I am certifying  
this particular development for this particular scheme', how does one decide whether the  
development is subject to the scheme unless effectively what one is doing is just simply looking  
at it – not from the point of view of the development, but from the point of view of the person  
830 who is renting, which then begs the question, why just simply limit it to construction projects  
that are going to be completed within the next year and a half to two years? Why not open it to  
projects that there may be either in the pipeline or alternative projects that have been  
completed in the past?

835 **Hon. Chief Minister:** Mr Speaker, for a very simple reason: because it is a measure designed  
to stimulate the market now. In other words, it is a measure designed to get ground broken in  
respect of new developments. It is a measure designed to get more apartments built. It is not a  
measure designed to give an advantage to those who may already be in possession of an  
apartment which they are renting and in respect of which they are going to be able to set off the  
840 rent. It is to encourage more people to buy apartments for rent, which will enable the  
developers to get more developments off the ground in that period because they will sell off  
plan. The criteria is: is the construction in that 30-month period? Have you bought in that 30-  
month period? Yes – then the first two years of rental will be rent free. That rental income will  
be tax free.

845 **Hon. D A Feetham:** I understand the rationale for building more properties, but there may  
be, for example, properties that have already been built that may not be fully occupied, fully  
utilised, and it may well be something that the Government wants to consider in actually  
extending the incentive scheme not only to properties that are going to be built, but properties  
850 that perhaps are underutilised in Gibraltar, those kind of properties, in order to make those

available, also in order to encourage those to be utilised in order to encourage people coming to Gibraltar.

I know, for example, that – I will give the hon. Gentleman an example – in the United Kingdom there are incentives for properties, even private properties, for rooms or parts of large houses to be utilised in order to be rented out, so that people can ... And that is what I am thinking when I asked this particular question.

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman is absolutely right, there are incentives in the United Kingdom to get unused space rented. But none of those incentives, although he commends them to us, are going to be accepted by Gibraltar, because those incentives are to tax people who have empty rooms, because they want people to rent them out. The Bedroom Tax, which is affecting, in particular, the disabled ... This is disabled people who need an extra room, and the UK government is taxing them in respect of that extra room in order to stimulate the market. We are not going to go down that road.

Mr Speaker, I think he has the wrong impression of what the supply side of property in Gibraltar is like at the moment. The problem is that there is no property available for rental in Gibraltar. That which is available is either overpriced for what it is at the moment, or is not in a condition which people are able to rent, and we do not want to encourage overpricing and we do not want to encourage people to be living in conditions which are not the right ones.

What we need to do, Mr Speaker, is to get the supply side going. If he bothers to call some of the estate agents, they will tell him that they are desperate for rentals. So what we need to get going is a further period of construction of properties for rental, for the type of market that we need, which, as I have indicated in my answer, we assess slightly below the sort of category 2 style housing, where every developer that has not gone for the 50/50 or for the local senior middle class level has pitched it, and where people who are at work are able to rent and create that rental market. We think the best way to do that is to enable developers to sell off plan to those who are interested in buy to let, by allowing those who are interested in buy to let to have this tax-free period in respect of their properties. That will mean that the supply side starts to move.

We were persuaded of this not by ourselves, we were persuaded of this by estate agents, by people in the online, in insurance and financial services industry. We were persuaded of this by developers, construction companies and some of the lending institutions in Gibraltar. Having taken that wide berth of advice, Mr Speaker, we think we are on the right course and we are going to pursue it.

**Hon. D A Feetham:** Mr Speaker, I am not criticising it. I am not criticising it at all. I am just exploring with the hon. Gentleman whether in fact there is anything already in place, any properties already there that could also be subject to this two-year tax free incentive scheme in order to encourage people to actually rent either part of properties or existing properties that they may not be renting.

Mr Speaker, does the hon. Gentleman ... Can he help me with this: how many developments does he think could take advantage of this particular scheme, or does he expect will be built because of this scheme, over the next two years? What does he have in the pipeline? Numbers – I am not asking him for specific identification of sites.

**Hon. Chief Minister:** Mr Speaker, there are those who at 10 o'clock on election night say that the exit poll is wrong and we will see. There are those who predict what there is going to be in terms of turnout and what the results are going to be. I am not one of those politicians, Mr Speaker. In respect of developments, I know from my practice before I was Chief Minister that things that can look very good then do not materialise – so I am not going to be persuaded to give a number, but I will tell him that we had discussions with a good number of developers. Whether that will translate into development or not will depend a lot on what happens in the

coming weeks and months and perhaps in the next two years as the United Kingdom determines what sort of exit it wants from its relationship with the European Union. This, I hope, will stimulate the market in the way that we have suggested.

**Hon. R M Clinton:** Mr Speaker, if I may, would the Hon. the Chief Minister ... I am just curious as to how the two-year period was determined. Is this, the magic number, a formula for payback period? How was two years arrived at? It does seem short.

**Hon. Chief Minister:** Well, Mr Speaker, I hardly think it is short, given that the period today is zero and that it has gone from zero months tax free to 24 months tax free. I think that is actually quite generous. It is a period in respect of which one is able to recover perhaps the lump sum put down at the time of purchase or the furnishing cost of a property without having to suffer taxation on it. We have been working on this for some time and we thought two years moving from zero to 24 months was quite generous.

If the hon. Gentleman had been proposing this to me, Mr Speaker, and had been suggesting five years and I came back with two, I would accept that he would say it does not seem very generous, but given that they have never suggested it, we have come up with it and we have pitched it at where we think it is the right level, I think it is absolutely the right level. I am convinced, Mr Speaker, that this meets the requirements that were put to us in the discussions that we had with the relevant parties. They have indicated to us that it is exactly the right sort of measure, that it is the sort of measure that is likely to stimulate those who might buy off plan.

One minute he is trying to persuade us to spend less and the next he seems to be ready to persuade us to spend more. The hon. Gentleman will know that a tax-free period is a period of lower income to the Government, because at the end of that period the income to the Government goes up because taxation bites in respect of those assets. So we think we get the balance right between spending and not spending and expenditure and income, but if he thinks this is not the right level I would ask him to reflect on who it is that he has considered it with and whether he accepts that we consider with many more than he might.

**Hon. R M Clinton:** Mr Speaker, I thank the hon. Gentleman for his answer. It was purely an exploratory question. I had nothing in mind.

He may or may not wish to answer this further supplementary: does the Government have any intention of itself becoming such a landlord and providing these properties?

**Hon. Chief Minister:** Mr Speaker, I am grateful for the great candour that the hon. Gentleman has displayed: to say in a Parliament that you got up and said something with nothing in your mind really opens you up as a bit of a hostage to fortune.

Mr Speaker, we have no intention of becoming an investor in buy-to-let property at this stage, but, given what might come towards us in the next two or three years, it may be that the Government does have to consider expanding the stock of public housing that is available in Gibraltar, but the public housing might change in some way to cover this sort of area. At the moment, it is very far from our view that we should do so, but everything is possible. I say constantly, Mr Speaker, that the future is ours to write. That is a great opportunity. It is also a huge responsibility.

**Hon. D A Feetham:** Mr Speaker, just to clarify one point from the answer that he has given: effectively this is only going to be open to key workers in key industry – and I presume we are talking about the gaming industry – or is it going to be open to effectively everybody? That is the question.

**Hon. Chief Minister:** Mr Speaker, I think they are focusing this in the wrong way. They need to understand what we are trying to do. *(Interjection)* We are not aiming anything at properties

955 which may be there already. What we are trying to do is stimulate the market in development because we need more property.

There are many key workers who are unable to afford the purchase of a property in Gibraltar because they are not entitled to 50-50s, they cannot afford the expensive properties that there are. This is a different sort of sector. Some of them may be able to purchase those properties –  
 960 great! Depending on where they are in the hierarchy of these industries, they will actually be able to accede to a purchase that in today's market they are not able to accede to because of price in one sector and because of eligibility in another sector. Here, if they are able to afford it with these developments, fantastic. Some may not be able to afford it. Therefore, in order to ensure that developers are able to develop with confidence, what we are doing is opening up  
 965 the possibility of others buying in those developments so that those key workers are then able to have access to the market in rental because there would be more rental properties available. But we are not for one moment going to require that somebody come with a certificate of employment in a particular place to be eligible to rent from someone so that that rent is then subject to the tax-free period. We think the market will find its level.

970 If there are Gibraltarians who wish to rent, who are not in the gaming industry, the financial services industry, the insurance industry, and they are able to accede to one of these rentals, then so be it. We are not going to restrict the ambit of who is able to accede to these rentals, but given the pitching that is likely to be done, we think the market will find its level and it is likely that those who are in these industries, these key workers that we talk about, are likely to  
 975 make up the brunt of those to take advantage of the possibility (a) of purchasing in this sector, or (b) to take the advantage of being able to rent from those who have bought to let in this sector that we hope will develop.

**Hon. D A Feetham:** Mr Speaker, there are no politically barbed intentions in the questions  
 980 that we have asked; we genuinely want to just simply understand, and the question was phrased in those terms. We want to understand what the scheme is about. From what the hon. Gentleman is telling me in the last answer, it is not going to be restricted to key workers, it is going to be open to everybody. In other words, if there is a development within the next couple of years, it does not even have to be certified. That is the answer he gave me before. You, or  
 985 somebody, will be able to buy in those developments, rent out in those developments, and the person who is renting from the buyer, effectively, from the purchaser, will be able to take advantage of the tax-free incentive scheme for two years. That is the way that I have understood it, and that it is open to anybody. It is not key workers; it is open to everybody. That is the answer that he has given me. Now, I just want to understand whether my understanding is  
 990 correct or not.

**Hon. Chief Minister:** Mr Speaker, what I am saying is that this is a measure *aimed* at key workers but not restricted to key workers, because I do not believe that we should restrict things out of the hands of Gibraltarians, for example. I am surprised that he is suggesting that we  
 995 should – that we should create that element of discrimination against Gibraltarians or Gibraltar residents. *(Interjection by Hon. D A Feetham)* What we are doing is aiming at a particular sector of the market. He needs to understand, Mr Speaker, who is coming across the Frontier. He needs to understand the demographics. If there are 12,000 people coming across the Frontier and 7,000 of them are Spanish and they live in Spain, then there are about 4,000 or 5,000 people  
 1000 who would potentially – because they are not Spanish and they are not living with their families in their own ancestral homes, so to speak – be prepared to live here if there was a place available to them. We need to have more properties available for them.

Gibraltarians are more than likely to want to be able to take advantage of purchasing in the magnificent new 50-50 properties that are shortly to become available. There are those who  
 1005 may not be able to purchase. Of those 4,000 or 5,000 who cross the Frontier every day, who are not Spanish, who are not able to purchase the expensive homes that they are eligible to

purchase today, so by creating this new sector they may be able to purchase. Gibraltarians may be able to purchase or other long-term Gibraltar residents may be able to purchase as well – and we do not think they should be discriminated against. If they are not able to purchase, they may be able to rent, whether they are those coming across the Frontier or those who are already here.

Because the number of people in our economy who cross that Frontier, who are in the gaming and financial services and the insurance industry, are the rump of those who are likely to buy, this is a measure aimed for them, because they are more than likely, when the market finds its level – without having to introduce restrictions and copies of Stalinist-style certificates required in order to be able to purchase or rent, the market, because we operate in a market economy – is likely to find its level and we are likely with our aim to hit our target without creating those restrictions.

That is what we are doing. That is who we are aiming for, but we are not prepared to discriminate against other long-term residents of Gibraltar and Gibraltarians. I would imagine he does not want to encourage me to do that.

**Hon. D A Feetham:** Mr Speaker, the hon. Gentleman has a wonderful habit, I have to say, of arguing against himself. I have not suggested that we discriminate against anybody. I am just trying to understand it. Effectively, we have narrowed down what the scheme is about. So all the answers about key workers – and I have understood that it is really aimed at them, but the reality is that there will be no restriction by development at all to take advantage of the scheme and no restriction against anybody because anybody, whether you are a key worker or you are not a key worker, will be able to take advantage of this two-year rent-free scheme, provided that it is in these developments that are built over the next two years. That is the position, is it not?

**Mr Speaker:** A short answer!

**Hon. Chief Minister:** Mr Speaker, years from now, when people read the *Hansard* they will be fascinated by the fact that on this side of the House we have the patience to hear these things thrown at us over and over again. I have explained the position. I have set it out at length. I am not arguing against myself. I have a knack, it is true, for identifying the argument that the hon. Gentleman is putting, although he is trying to camouflage it and expose it, Mr Speaker.

We are not going to create a discrimination against Gibraltarians or long-term residents of Gibraltar, and we are going to continue to aim to deal with the problems that key workers in our economy have, and we are going to do it as we do it in the market economy. We are going to aim a measure at a particular sector, we are going to identify the demographic and we are going to ensure that the type of tax relief that we give is designed to relieve there. And the experts who advise me tell me this measure does that and is for the benefit of key workers and for other Gibraltarians and long-term residents of Gibraltar.

**Mr Speaker:** Next question.

**Hon. R M Clinton:** Mr Speaker, may I ask just one?

**Mr Speaker:** We have been 35 minutes with this question on an important matter. I honestly think it has been amply ventilated. I will allow another supplementary but then we are going to move on, okay?

**Hon. R M Clinton:** I am grateful, Mr Speaker.



I heard the hon. Member use the words 'key worker' on numerous occasions, obviously, in this exchange. In the United Kingdom, 'key worker' obviously means ambulance, fire, teacher – those kinds of functions. Does he have a definition in his mind of what a key worker is?

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**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman needs to understand that in Gibraltar ambulance drivers, firemen and teachers – because they are in the public sector – take the advantage, rightly, of the schemes that we introduced after 1988, which are the Affordable Housing Schemes. They are the key key individuals because, like he and me, we are Gibraltarians and we want to ensure that Gibraltarians are able to live in Gibraltar. If he wants to talk about that category of individual, I am going to find a terminology much more flattering even than 'key worker'. What we are talking about here – and if he bothers to read where this comes from, it is from my Budget speech – its key workers in these industries. In other words, in the gaming industry, in the financial services industry and the insurance industry. Those are the people who we are trying to deal with. Those three industries have a lot of individuals who are not Spanish – or who, in some instances, are Spanish but who live in the region of Gibraltar because they work in Gibraltar, and if Frontier fluidity were to be an issue, the key to keeping their industries in Gibraltar is to keep those workers in Gibraltar, hence 'key workers', Mr Speaker. But he should not tempt me to describe teachers, nurses and firemen as just 'key workers'. As far as I am concerned, Mr Speaker, they are the backbone of our community.

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**Mr Speaker:** Next question.

**Q571/2016**  
**No. 6 Convent Place –**  
**Cost of works**

**Clerk:** Question 571, the Hon. D A Feetham.

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**Hon. D A Feetham:** Mr Speaker, further to Question 124/2016, can the Government provide an overall figure on the cost of works at No. 6 Convent Place?

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

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**Chief Minister (Hon. F R Picardo):** Mr Speaker, the total cost of the refurbishment, restoration and construction works at No. 6 Convent Place, the new annexe and the existing building is £6,526,163.89.

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**Hon. D A Feetham:** Mr Speaker, how can the Chief Minister justify the expenditure of £6.5 million on what is a hugely luxurious project at his offices when there are schools in Gibraltar that are run down and, quite frankly – and I am thinking of Bayside in particular – are not fit for purpose. (**A Member:** Hear, hear.) How does he justify that?

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**Hon. Chief Minister:** Mr Speaker, I justify it because in order to make money you have to spend money, because Gibraltar needs to demonstrate to those who come to invest in Gibraltar that it is a modern Gibraltar, that is ready to take us forward into the 21st century, into the post-Brexit world – unfortunately. I justify it, Mr Speaker, with the moral authority of somebody who has led a Government that has built two new schools already, has plans to build five more in this term and has done this refurbishment as a result – quite unlike the position of Members opposite when they were on this side of the House and they spent well over £1 million on

refurbishing Convent Place, did not add one square foot of new property and did not refurbish or build any new schools.

1105 We spent on No. 6. We have also spent on the schools and we are going to spend more on the schools in the future. We are the champions of education in Gibraltar. We know where we spend most. We spend on the scholarships – we always will, because Tony Blair said many things wrong – he was a traitor to Gibraltar – but education, education, education is the one thing that this Party agrees with him on. (*Banging on desks*)

1110 **Hon. D A Feetham:** Mr Speaker, doesn't the hon. Gentleman think that not only is it shameful that he has spent £6.5 million on his plush offices at No. 6 Convent Place whilst Bayside is in the state that it is, but is it not also the height of political hypocrisy that the hon. Gentleman criticised, when he was in Opposition, the expenditure ... I do not know agreement here as to the expenditure of £1 million. Let us assume that he is right for one moment, but do not take it that I agree with it. I will check it during the course of next week. But that he criticised the  
1115 expenditure by the GSD of what he says was £1 million on Convent Place when he has now spent £6.5 million – isn't it incongruous, Mr Speaker? Is that not the height of political hypocrisy, that he took the position that he did when he was in Opposition and now he is defending £6.5 million spent on his luxury project, on his offices at No. 6 Convent Place?

1120 **Hon. Chief Minister:** Mr Speaker, I have only got one office at No. 6 Convent Place, but there are many civil servants at No. 6 Convent Place who do an excellent job for Gibraltar and there are many civil servants elsewhere in the employment of the Government who have now better offices than they have ever had before, and they deserve even better than they have. We will continue to roll out the programme we have for civil servants to have modern offices in which to  
1125 do business. We think that is the right investment in the public sector. We think it was wrong for the GSD not to invest in the Civil Service. We will continue to do so.

He will find no greater champion, Mr Speaker, of Bayside School, than the Chief Minister standing opposite him today, because no one has been prouder to be able to say that he is the first Chief Minister that Bayside School provided than me, and I have been the only one and the first one to have the chance to do it. Bayside provided, for me, some of the best years of my life. It propelled me to the university, if I may say so, with respect to everyone, that *The Times* today has said is the best university in the world, with Harvard relegated to sixth. (**A Member:** Hear, hear.) I have another Oxonian here, Mr Speaker.

1130 But I will tell him more: I stand here proud of our plans to provide an even better Bayside. I stand here proud of our plans to not just refurbish but in many instances completely rebuild and relocate a total of five schools. I stand here already with a better record in respect of schools, let alone education, than the hon. Gentleman, because we have already built two new schools. The only other Government to have ever done so was also a GSLP Government, Mr Speaker. But that  
1135 GSLP Government never managed to build a university, because the opportunity escaped them. This GSLP Liberal Government has built two schools and a university. What we have not done, is spend £9 million demolishing a Theatre Royal.

**Mr Speaker:** Now you are debating.

1145 **Hon. Chief Minister:** No, Mr Speaker, I am not.

**Mr Speaker:** Now you are introducing a matter which, with all due respect, is not relevant. The expenditure on No. 6 set off against expenditure on education is totally relevant because that has been the subject of a supplementary. The question of the Theatre Royal is a separate  
1150 issue altogether.

**Hon. Chief Minister:** Mr Speaker, the supplementary question was political and the answer – over which Mr Speaker often reminds us he has no control – will be political.

1155 We have not spent £9 million making a hole in the ground where there was a theatre. We have spent moneys on education and we have spent moneys on improving offices and we have spent other moneys on all of the projects that the hon. Gentleman likes to say we overspend on but then likes to hurry us to complete. We have spent moneys refurbishing estates in Gibraltar. We have spent monies for the good of this community. We will continue to spend money for the good of this community, in great measure in relation to the schools, because we have fought an election on a manifesto that commits us to the rebuilding of Bayside School and commits us to the rebuilding of many other schools, Mr Speaker.

1160 Everyone listening will see that if he tries to characterise himself as a champion of Bayside School, they have just got to look back at the pamphlet which he pretended should pass as a manifesto at the last election, to see what it was that he was planning for people at Rooke and understand that it was the worst possible plan for education in the history of Gibraltar: to put almost 2,000 children on one campus in the centre of our town would have been absolutely disastrous for education.

1170 **Mr Speaker:** I am going to bring these exchanges to a halt if hon. Members persist in debating. Next question.

**Hon. D A Feetham:** Mr Speaker, I have not finished.

1175 **Mr Speaker:** He has not finished because I have stopped him. *(Interjection)* He has not finished because I have interrupted the Hon. the Chief Minister.

**Hon. D A Feetham:** Mr Speaker, when you are finished, I will –

1180 **Hon. Chief Minister:** May I make a point when you have finished?

**Mr Speaker:** Go on.

1185 **Hon. D A Feetham:** Simply because the hon. Gentleman gives a longwinded answer, which is infringing on the debating rule, as an answer to my questions, which have been short questions, does not mean that Mr Speaker should cut short my ability to ask more supplementary questions when I am being penalised for his long answers.

**Mr Speaker:** Do you have a relevant supplementary to ask?

1190 **Hon. D A Feetham:** Well, yes, Mr Speaker.

**Mr Speaker:** Go on, ask it.

1195 **Hon. D A Feetham:** All my supplementaries are relevant, Mr Speaker. *(Interjection)* Well, absolutely, if Mr Speaker has not stopped me before, it is because it is relevant.

1200 The hon. Gentleman in his answer said you have got to spend money to make money. That is the answer that he gave. I can understand that you invest in education and you are making money in the future, because you are creating the economic activity through people that you are training in order to allow them to come back to Gibraltar and have worthwhile jobs here in Gibraltar. We can do it outside the education system through training, but just focusing on this, how on earth does paying £6.5 million for his offices at No. 6 Convent Place actually create money? How is that spending money to make more money?

1205 **Hon. Chief Minister:** Mr Speaker, it is utterly ridiculous that you have considered to be  
relevant a question relating to schools which is supplementary to a question relating to a cost of  
an office of the Government, but I am going to answer anyway because it is very easy. I am going  
to answer politically, Mr Speaker – and that is not to debate, because Governments give  
answers, Mr Speaker, which are political. The political answer is to say simply this. First of all, I  
1210 remind the hon. Gentleman it is not my office. I have one office, Mr Speaker. There are many  
offices at No. 6 Convent Place. I have given him before how much square footage we have added  
there. I have not done a luxurious refurbishment. In fact, a lot of what we have done is to get rid  
of the luxury that they brought when they were in Government. I have given him all the figures  
before but he falls into the same hole every time, Mr Speaker.

1215 The Chief Minister of Gibraltar had an office, the floor of which was about to collapse. He  
may have seen the pictures, he may recall, of the floor of the Cabinet Office at No. 6 having to  
be entirely removed. I know that he wishes me no good, Mr Speaker, but does he really wish me  
so much ill that he wants me to go through the floor and hit the Chief Secretary, who had the  
office underneath me? That is the context in which we inherited No. 6 Convent Place.

1220 He just thinks it is going to be popular to bang at me by saying, ‘You spent money on your  
offices and you have not refurbished the school.’ I built two new schools, I have built a  
University and I am going to refurbish or build five new schools in this term, Mr Speaker. In part,  
I am going to do it with the investment that comes to Gibraltar. Part of that investment comes to  
Gibraltar to see me at No. 6 Convent Place. They do not go to see him, Mr Speaker; they come to  
see me. And instead of spending £9 million on a hole in the ground, I have spent it in part on  
1225 schools and in part on refurbishing offices.

Mr Speaker, he has been going on about this before the last election and now he is going on  
about it again. Good luck! He is like a broken record: same arguments all the time – he is going  
to get the same result all the time. That is not a bad thing for Gibraltar.

1230 **Mr Speaker:** The Hon. Marlene Hassan Nahon.

1235 **Hon. Ms M D Hassan Nahon:** I think perhaps a couple of supplementary points I wanted to  
bring up may have already been addressed, but I think it is just a matter of priorities. I accept  
what both sides are trying to get at and I know we can all be very proud that the Chief Minister  
went to Bayside. The hon. Lady and myself went to Westside also, and we are sitting here today.

1240 Basically, I just think it boils down to priorities. Perhaps the Bayside of yesterday, which  
produced an Oxbridge student, is certainly not the Bayside of today, and today we have students  
who can barely hear the teachers and are struggling to learn because there is building and dust  
going on all over the place. This is something that is affecting children physically and  
educationally, and I think this is where the comparison comes into it. I trust if the Government is  
proclaiming constantly that they will build another Bayside in this term of office, but actually is  
there anything we can do in the next few years to ensure that Bayside does not suffer with all  
the building that is going on – even rehouse them or something for a temporary time – because  
it seems like Bayside is suffering. Only on the news in the last couple of days have been some  
1245 complaints and students or teachers walking out.

I know it is slightly a digression from the issue of expenditure, but we are talking about  
priorities, and as much as the Chief Minister says it is a big priority to market Gibraltar, to  
market No. 6 and show a good impression, there is no greater priority than the children and the  
future generation that need to get the best grades possible and be as focused as possible, and  
they need a good sound infrastructure for that.  
1250

Thank you.

1255 **Hon. Chief Minister:** Mr Speaker, the Government will not be found wanting in that respect,  
because let us be clear, nobody had, in their 2011 General Election manifesto, any requirement  
to rebuild Bayside School. (**A Member:** Absolutely.) It was only in the 2015 General Election

manifestos that the parties decided it was necessary. Both parties decided it was necessary to commit to the rebuilding of Bayside School.

1260 I will tell the hon. Lady that when I did my Oxbridge entrance exam I did it with a pneumatic drill outside my window – in 1987, by the way – and I then sat my A-levels the following year and there was also that sort of activity and military jets outside. That does not mean that is what I want for my children or for her children – I want a better environment for them. That is why, Mr Speaker, the Minister for Education insisted that those developing the World Trade Centre ... I hope we all agree that bringing the World Trade Centre to Gibraltar and having it open as a great success – entirely full, even after the Brexit referendum – is a great thing. We ensured that those  
1265 developers would not be making noise before 3.30 p.m. One subcontractor this week – one subcontractor this week – failed the developer and started earlier and caused the problems that have been caused, and the developer has rightly dealt with the subcontractor and it has not happened again. Although I understand that, in a post that someone pays to get pushed up the page on Facebook, somebody suggested it may have happened more than once. My  
1270 understanding, having checked, Mr Speaker, is that that is not the case. But it is unacceptable to the Government that there should be a development around Bayside which disrupts Bayside. That is why we go to the lengths of ensuring that we do deals with those developers to stop there being any undue noise. But is it possible to stop all noise, Mr Speaker? No, these are city schools. Westside and Bayside are city schools. They are always going to be city schools because  
1275 we have no countryside in which to put them. I can promise many things but I cannot promise rolling hills.

The way that we propose to rebuild Bayside will deal with the provision of its own internal football and rugby pitch. Rugby pitches and football pitches in schools were the sorts of things that one might only see the privileged have in the schools to which they are sent abroad. Now  
1280 we are going to have that here. That is the sort of vision for the future of Bayside that we have on this side of the House. Members opposite – and on this the hon. Lady will allow me to gently tarnish her with the same brush – defended a manifesto that created a concrete college in the centre of Gibraltar for two or three thousand pupils at the same time as inspectors in the UK were saying that would be the worst possible future for education and a similar school in the  
1285 United Kingdom was vetoed.

The hon. Lady is right to express impatience on behalf of the community – because, look, I am impatient to see this project take off. She rightly has indicated did not go to Bayside for reasons of gender and nothing else, but let us be clear – in the same way as she no doubt has a soft spot for Westside, I have a very soft spot for Bayside indeed, and I am the most impatient to  
1290 see this project not just progress but succeed, and succeed it will. It will be one of the most important legacies that this old boy will leave his school. It is only public school boys who get called ‘old boys’. We are entitled to it too, are we not?

#### Q572-573/2016

#### Individual and employer tax arrears over £5,000 – Details

**Clerk:** Question 572, the Hon. D A Feetham.

1295 **Hon. D A Feetham:** Mr Speaker, can the Government provide a list of PAYE tax arrears owed by employers who exceed £5,000, detailing the tax year for which the arrears are due and the total due per employer, without revealing the identity of the employer?

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

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**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer together with Question 573.

**Clerk:** Question 573, the Hon. D A Feetham.

1305 **Hon. D A Feetham:** Mr Speaker, can the Government provide a list of assessment tax owed by individuals who exceed £5,000, detailing the tax years for which the arrears are due and the total due per taxpayer, without revealing the identity of the taxpayer?

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

1310 **Hon. Chief Minister:** Mr Speaker, the information requested is very extensive and to provide it in a manner that is reliable will not be possible until at least December. I am not saying no, Mr Speaker, but to provide it in a reliable manner we are going to need that extra time.

1315 **Hon. D A Feetham:** Well, Mr Speaker, is the hon. Gentleman undertaking to provide this information in the same way as he undertook to provide the information to the two previous questions that I asked him and he answered in that way, or is he expecting me to ask the question again in December?

1320 **Hon. Chief Minister:** Mr Speaker, I know that he cannot believe it is not butter, but I am quite happy to agree to either undertake to provide it in a letter, or for him to ask – whichever he prefers. How is that?

1325 **Hon. D A Feetham:** Mr Speaker, I will accept the undertaking to this House that the hon. Gentleman will provide it by December.

**Hon. Chief Minister:** I am sure that those listening who are responsible for the preparation of that will note that and ensure that it is provided timelessly.

**Q574-575/2016**  
**Capital projects since 31st March 2012 –**  
**Spend and funding**

**Clerk:** Question 574, the Hon. D A Feetham.

1330 **Hon. D A Feetham:** Mr Speaker, further to my Question 453/2016, is the Government now in a position to provide the information requested in my original question?

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

1335 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 575.

**Clerk:** Question 575, the Hon. D A Feetham.

1340 **Hon. D A Feetham:** Mr Speaker, can the Government please provide a list showing what Government-owned company funded what capital projects since 31st March 2012?

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

1345 **Hon. Chief Minister:** Mr Speaker, as I mentioned in my previous answer, the expenditure of capital projects by the Government, authorities and agencies are reflected fully in the Improvement and Development Fund, as shown in the published Estimates. The accounts of the Government-owned companies will, as I have already said, be filed publicly at Companies House so that everyone in our community can have access to the information relevant to each, despite the disgraceful failure of the GSD to have filed those accounts in the time they were in office.  
1350 We will put that right, Mr Speaker.

**Hon. D A Feetham:** Mr Speaker, I just do not know how he can possibly give me that answer when we have been asking for the accounts of companies like Credit Finance Company Ltd for the last three years and disclosure in relation to that particular company, and that has not been forthcoming.  
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But, Mr Speaker, it is an unsatisfactory answer for this reason: if we have got to wait until the accounts for us to then look at each account and then say which project is being funded by what company, well, the hon. Gentleman can undertake to provide those accounts. But those accounts could be filed in two years or three years' time, Mr Speaker. He must know the answer to this question. It is easily ascertainable. It is not a difficult question. The information is there and he has an obligation, in my respectful view, Mr Speaker, to provide this information to the House. Which company is funding which project? It is a very simple question capable of a very simple answer.  
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**Hon. Chief Minister:** Mr Speaker, one gets good at dealing with the same argument all the time if it is put every month in the same way, but the hon. Gentleman should be a little bit more imaginative and give me something a little bit harder to work with once in a while to stimulate what *Poirot* used to say were 'the little grey cells' of the imagination of Agatha Christie.  
1365

Mr Speaker, if it is unsatisfactory that they may have to wait two or three years to see the accounts of a company which is a Government company in the time that we have been in office, how much more unsatisfactory, is it not, that the companies accounts for the period that they were in office, since the mid-nineties, have not yet been filed? Mr Speaker, I would put it to the hon. Gentleman that it is hugely unsatisfactory to the community that they failed to comply with the law that they passed: that companies have to file accounts. We are catching up with that backlog and will be filing the accounts, Mr Speaker.  
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The Government has no obligation to account for the Government companies here, but we do to a great extent and much more than hon. Members ever did. We will continue to do so in the way that we do, but we will not accept, Mr Speaker, that we should account to the extent that they consider is appropriate when they sit on that side, but which is completely different to what they considered was appropriate when they sat on this side.  
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**Hon. D A Feetham:** But, Mr Speaker, this is not about accounts. I made the comment because he has answered in that particular way and indeed he has had six years, five years, in order to file accounts for Government-owned companies and he has not done it. To the extent that it was our default, it is also his.  
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But, Mr Speaker, this is about the funding of projects which the Government has basically committed itself in manifestos, etc. by Government-owned companies. What we want to know is what Government-owned company, using taxpayers' money ... Because at the end of the day it is taxpayers' money. There is no magical quality to any of these companies. This is taxpayers' money. Which companies are funding what projects?  
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For the hon. Gentleman to say, 'Well, you are going to have to wait for the accounts of those companies and it could take another three years,' is highly unsatisfactory. That the hon. Gentleman hears me say 'is highly unsatisfactory' every single month ... well, of course, he hears me saying it because he provides me with unsatisfactory answers every single month.  
1395 Mr Speaker, if he changes practice and he were to come to this House and be prepared to be

more open and transparent with this House, then I would not have to ask the same questions or the same type of questions every month in this House.

1400 It is very simple: what company is funding, using taxpayers' money – because that is what it is – which project? That is the question. Now, if he is not prepared to answer that, he is not prepared to answer.

**Hon. Chief Minister:** What I am not prepared to do, Mr Speaker, is to come here on a fool's errand every month to waste people's time. I know that time flies when one is enjoying oneself, Mr Speaker, but we have only been in Government for five years, not six. He needs to remember that. Indeed, it is not yet five, Mr Speaker. It will be five on 9th December 2016, when we shall celebrate the first half decade of the glorious new dawn which was elected on 9th December 2011.

1405 Mr Speaker, is it that he wants me to stand up here in this House and waste his time and mine by reading lists? So, Gibraltar Residential Properties Arial Farm Ltd developed Beach View Terraces. Gibraltar Residential Properties Coach Park Ltd developed Mons Calpe Mews. Gibraltar Residential Properties Bishop Fitzgerald Ltd developed Charles Bruzon House. Mr Speaker, come on what is it? University of Gibraltar Ltd developed Gibraltar University. This is what the sum total of what Opposition politics amounts to in Gibraltar these days. Well, Mr Speaker, it is clear why it is and is going to remain Opposition politics, Mr Speaker.

1415 **Hon. D A Feetham:** Sooner or later, Mr Speaker, the people of Gibraltar will see what I see every single month when the hon. Gentleman stands up and answers the way that he answers. He has turned this House, Mr Speaker, into just a complete and utter political circus, in my respectful view, with the answers that he gives, or the lack of answers that he gives, on matters which are transcendental and important to this community.

1420 **Mr Speaker:** May I put it to the Hon. the Leader of the Opposition that if this House is a political circus, I certainly do not regard myself as a ringmaster. *(Laughter)*

1425 **Hon. D A Feetham:** And so you should not, Mr Speaker, because my obligation is to ask questions to hold the Government to account; their obligation is to provide answers to the questions. And if he has the answers available to which Government-owned company is funding what project, well, yes, he should provide me with that answer – and I will be the judge, Mr Speaker, of the usefulness of those answers.

1430 But I ask, as he well knows, questions for a purpose. Sometimes, Mr Speaker, he imputes to me, as he has done this afternoon on the question of the financial incentive scheme for these new developments, a political motive that was not there. There is a political motive here – I can tell him that for free. Yes it is. That is what I want to know: what Government-owned company is funding what project?

1435 **Hon. Chief Minister:** Well, Mr Speaker, I have given him the answer that I have given him, but you do not need to be a ringmaster, because he is no lion, that is for sure. The fact that he says he is going to be the judge himself of whether we have answered his questions or not ... Well, look, I remind him of the Latin maxim that *nemo iudex in causa sua*: no-one can be a judge in their own cause. So he can decide for himself whether he is happy or not with the answers, but so what? Although I must say, Mr Speaker, that when he started, and the turn of phrase that he used – such a colourful term of phrase: 'In my mind it is clear that people will see where we are going.' Very good, Mr Speaker. It reminded me of that song which starts with, 'My mind is clearer now. At last all too well I can see where we all soon will be.' It is the opening lines of the musical *Jesus Christ Superstar* that's sung by Judas.

1445 **Mr Speaker:** Next question.



**Q576/2016**  
**Government debt –**  
**Write-offs since March 2012**

**Clerk:** Question 576, the Hon. D A Feetham.

1450 **Hon. D A Feetham:** I am certainly not going to kiss him that is for sure! *(Laughter)* Mr Speaker, if that was the whole point of that conclusion, it has got me a bit nervous. I am certainly not kissing the hon. Gentleman, that is for sure.

Mr Speaker, can the Government disclose details of total Government debt write-offs for each financial year since March 2012.

1455

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, details of amounts written off are included in the published annual audited accounts for the Government. The amounts written off for each of the financial years since 2012 are as follows: March 2012, £347,135.55; March 2013, £938,063.12; and March 2014, £9,918,853.89.

1460

**Hon. D A Feetham:** Mr Speaker, there is a considerable spike, as everybody in the House will have heard, for 2014 of £9 million from a level of £948,000 in 2013. Can the Hon. the Chief Minister provide some information as to why that very significant spike in one year?

1465

**Hon. Chief Minister:** Yes, Mr Speaker, because it is important that we know what is really recoverable in our accounts and what is not, otherwise we are just carrying unreal debt. For example, where we have companies that have gone into liquidation and the company is dissolved and there is no prospect of recovery, to maintain that liability on our books, when the directors may not be in Gibraltar and it is impossible in that way to recover etc., does not make sense. If there was ever any opportunity of recovering, the fact that we have done a write-off does not mean that the liability is in any way extinguished – it just goes off our books.

1470

There was a catching-up exercise done in 2014. £5,435,926 was written off in respect of PAYE individual assessment and self-employed individuals and Corporation Tax which was considered to be unrecoverable, and the Gibraltar Authority Group Practice Medical Scheme that led to £2,727,000 which was deemed to be unrecoverable. That is how the figure really spiked. The rest is more or less in keeping with what one might have expected. I think there is another ... Yes, those are the figures that I have, Mr Speaker, which show why it is that it went up that year.

1475

It is an exercise that has to be done, whether periodically or more regularly, but there is no point just keeping bad debt on the books to pretend to the world that there is a huge amount of money owing out there to you when there is absolutely no prospect of recovery.

1480

**Hon. D A Feetham:** Yes. In relation to the £5 million, can he just repeat the answer for my benefit? I did not quite catch the answer that he gave in relation to the £5 million, the breakdown – I think it was just over £5 million. The response that he has just given me.

1485

**Hon. Chief Minister:** Mr Speaker, I said it was £5,435,926.27 and that it was broken down between PAYE individual assessment, self-employed individuals and Corporation Tax.

1490

**Hon. D A Feetham:** And the Government is satisfied that in relation to these write-offs none of this could be salvaged from or by the recent amendments that the Government has made to the Limitation Act, because none of these write-offs were just simply by virtue of the fact that the debt was actually statute barred?

1495

**Hon. Chief Minister:** Mr Speaker, it is actually not up to the Government to be satisfied. This is a matter exclusively in the purview of the Financial Secretary and subject to the control of the Principal Auditor. The hon. Gentleman knows you cannot imagine people who are more desirous of recovering debt, if it is recoverable, than those two officers, whoever may be occupying those  
1500 offices. But, they do clear with the Government that these things are going to happen and they do it on the basis that this is entirely unrecoverable, not simply that there is a limitation issue, because in many instances these liabilities create offences, Mr Speaker, and therefore there may not be a limitation issue. There are other measures that can be taken in respect of PAYE etc. We are satisfied that where a write-off has occurred, it has occurred for the right reason.

1505 The hon. Gentleman must not think that just because it is written off in our accounts it is not recoverable. If somebody turns up that we thought was dead or if they turn out to have an asset that we did not imagine they would have, if a company is revived, for example, and has a reversionary interest in property and it is on our list, then that triggers a bell and the enforcement continues. It is just removed from the amounts that we consider should be on our  
1510 books as recoverable debt.

**Mr Speaker:** Next Question.

**Q578/2016**  
**Statutory Minimum Wage rise –**  
**How it will ‘Spread the wealth’**

**Clerk:** We move to Question 578, which is a question from the Hon. Ms M D Hassan Nahon.

1515 **Hon. Ms M D Hassan Nahon:** In his Budget address this year, the Hon. the Chief Minister stated – and I quote:

And now a GSLP/Liberal administration has continued the work of raising the minimum remuneration payable in our society in order to spread the wealth towards the most deserving.

Yet in his speech the Chief Minister states:

the statutory minimum wage will increase from £6.25 to £6.28 per hour with effect from 1st August 2016. This represents an increase of around 0.5%, which is above the rate of inflation.

This while:

1520 ... the general level of Public Sector pay will rise by 2.75% with effect from 1st August 2016. An additional 0.25% will be payable to officers of the Royal Gibraltar Police, Customs, the Prison Service, the Gibraltar Fire Service, the Airport Fire Service, the Borders and Coastguard Agency, and the Ambulance Service.

Would the Chief Minister provide some clarification as to how a 0.5% increase would spread the wealth towards the most deserving?

1525 **Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the GSLP/Liberal Government is the only Government in the history of our community to be able to say with pride that we have raised the minimum wage every single year that we have been in office. Five years in office have meant  
1530 five successive increases in the minimum wage.

When we raise it by more than inflation the employers complain – that is to say the Chamber of Commerce and the Federation of Small Businesses complain. If we do not raise it, the

employees' representative organisations complain – that is to say the unions. If we raise it by the rate of inflation in the days after the seminal results of the Brexit referendum, employer and employees' representative organisations understand and do not complain because they see we are ensuring that the amount is not eroded by economic growth and neither is it a factor increasing the real cost of business.

Those who rely on that measure – that is to say on the minimum wage – for the calculation of their remuneration, who are the most deserving in my view, are therefore protected from wage erosion and their jobs are protected also by not being turned into a higher cost than businesses might have been able to carry in this year.

The comparison with wages in the public sector which the hon. Member makes, which were agreed almost two years ago on a three-year basis but done as a comparison in one year, is therefore not a relevant one for these purposes. A more relevant consideration would be to compare how public sector wages have increased since we were elected compared to how the minimum wage has increased for the same period. Public sector remuneration, Mr Speaker, has increased 14.36% in these past five years. The minimum wage has increased by 16.3% in five years. That is to say an average of 3.26% a year and a figure on which the hon. Lady may wish to aim a congratulatory remark or two in my direction, because frankly I think that represents giving to the most deserving in our society.

In money terms, Mr Speaker, we are seeing an increase of 88 pence an hour – not bad at all, I would say. The GSLP – on its own, without its colleagues in the Liberal Party, by the way – is entitled to claim the entire benefit for the introduction of the minimum wage as it was introduced in 1988.

If the hon. Lady had asked whether we would have wished to increase the minimum wage by a larger amount this year, then I would simply have answered yes. But let us be clear, this is not about cost to the Government; it is about cost to independent third party employers represented by the Chamber and the Federation of Small Businesses in the main and their concerns at this difficult time.

Mr Speaker, given the hugely positive reaction to our Budget, which was delivered within days of the Brexit result, I think we got the balance right.

**Hon. Ms M D Hassan Nahon:** I appreciate the figures and the view of the Hon. Chief Minister, but at the end of the day the fact of the matter is that the poorest workers – those on minimum wage this year – have managed to get an extra 3 pence per hour, equating to £1.20 per week, which barely buys you a Coke and a packet of crisps. So I just do not understand how they can hail it as 'spreading the wealth to the most deserving'. It is just simply that I do not understand it, as much as I appreciate the rises and the incentives that have been introduced.

**Hon. Chief Minister:** Mr Speaker, it is a Coke and a packet of crisps the Hon. Lady says. Well, it is a Coke and a packet of crisps an hour! Mr Speaker, let us be clear. *(Interjection)* No, Mr Speaker, let us be clear. *(Interjection)* Mr Speaker, no, no, please let us get our facts right – and I say that in the best possible meaning of the phrase. *(Laughter)* What I am telling her, Mr Speaker ... I know what she is telling me, but what I am telling her is that in five years we have gone up 88p. That means that we have gone up 88p an hour – a Coke and a packet of crisps an hour – which, if you work eight hours a day, is £7.40 a day, and if you work five days a week is £35.20 a week. So we are responsible for putting the minimum wage up £35.20 a week.

She is saying, this year, of that £35.20 only £1.20. That is what she is saying, but I am saying in the five years that I have been Chief Minister of Gibraltar I have put the minimum wage up £35.20 in the context of that calculation in a week. That is a better record, Mr Speaker, than anybody in the history of this Parliament in five years. I am delighted with that record. I wanted to go further. I come under the attack of the Chamber of Commerce and the Federation of Small Businesses on this issue when I put it up more than inflation. This year, because of Brexit, we talked to all the sectors and we agreed it had to be inflation.

1585 There has been no attack on the Government by the unions in respect of this matter, because  
they have thought it through. They have looked at our trajectory; they have looked at the five  
years; they have looked at how public sector pay has gone up 14.3% in the past five years and  
1590 how, at the same time, we put up the minimum wage 16.3% in the past five years. It is a Coke  
and a packet of crisps an hour – even though doctors no longer recommend those, Mr Speaker,  
and I am off them, as the hon. Lady can see. It is £35.20 a week, a record to be proud of. We  
were right to introduce the concept of the minimum wage in 1988. We were right to pursue it  
when we were in Government then. We were absolutely right for the past five years to ensure  
that every single year the minimum wage went up. If you look at our record, I think the hon.  
1595 Lady will accept that to have put £35.20 more in every relevant pay packet, every week, is a  
record to be proud of.

**Hon. Ms. M D Hassan Nahon:** I appreciate the answer and I take it on board. I would like to  
ask, though, why the discrepancy. Perhaps I have not understood it, but the public sector  
workers are enjoying a much higher rate of rise in pay. Is the Chief Minister saying that perhaps  
1600 in the following years the minimum wage will start to creep up and that this year, perhaps  
because of what happened with Brexit, things have been halted a bit but that your record in  
raising that minimum wage will catch up?

**Hon. Chief Minister:** It is not that it is going to catch up; it is that the public sector wages  
1605 would need to still catch up with the minimum wage. At the moment, the public sector is behind  
the minimum wage. They are at 14.3% increase in the last five years; the minimum wage is at  
16.3% in the past five years. So the public sector, if anything, in percentage terms has to catch  
up. We thought that there was a case for really bumping up the minimum wage when we were  
elected, and we came under a lot of criticism from the Chamber and from the Federation for  
1610 doing it, but we knew it was right and we did it, Mr Speaker. And we will do it again in the future  
where we have to, and we will put it up by inflation where we have to.

In terms of negotiation, the hon. Lady has to understand that when you are dealing with  
public sector pay there are two parties to the negotiation: Government and its employees.  
When you are dealing with the minimum wage, you are dealing with every employer in the  
1615 economy, with the employers' representatives and with the employees' representatives. It is a  
much more complex negotiation.

There are some top companies in Gibraltar that may have one or two people on the  
minimum wage – very few. There are some companies in Gibraltar that have most of their  
people on the minimum wage because they are small construction companies – there might be  
1620 six of them and that is what they do. Therefore, it is a very complex balancing act.

If the hon. Lady looks at the numbers, I think she will want to, as I say in my original answer,  
aim a congratulatory remark or two in this direction, because what she was saying was  
happening: namely that the public sector salaries were growing faster than the minimum wage. I  
think I have demonstrated to her with numbers – which do not lie – that the minimum wage is  
1625 ahead and by quite a margin.

**Hon. Ms M D Hassan Nahon:** Thank you. I will do my homework on that one and come back  
to you.

**Q579/2016**  
**Shell LNG Gibraltar Ltd –**  
**Nominal payment for full Government ownership**

**Clerk:** Question 579, the Hon. Ms M D Hassan Nahon.

1630

**Hon. Ms M D Hassan Nahon:** In his Budget address, the Hon. the Chief Minister alluded to the yet to be established Shell LNG Gibraltar Ltd which total overall cost is circa US\$44 million over a period of two years, and at the end of the 20-year contract period the plant will revert to full Government ownership for a nominal payment. Is the Hon. the Chief Minister able to provide an estimation of the nominal payment at present day value? It is of importance for me since this is a cost which we are imposing essentially on our children.

1635

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

1640

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the estimated present day value of the nominal payment required for the plant to revert to the Government ownership at the end of the 20-year contract period is 67 pence, using an average discount rate of 2% per annum.

1645

**Hon. Ms M D Hassan Nahon:** Thank you. Could the Chief Minister please indicate whether Shell LNG Gibraltar Ltd has already been established, and could the Chief Minister also indicate whether the exact date of the commencement of the £33.87 million project is known?

1650

**Hon. Chief Minister:** Mr Speaker, Shell LNG Gibraltar Ltd has been established. The other question that the hon. Lady is trying to ask me I have difficulty understanding exactly what it is that she wants to get at. Can she explain to me what information she wants?

**Hon. Ms M D Hassan Nahon:** The commencement of the project: has the project of LNG Gibraltar Ltd already been established? Has it already started? Is it already underway?

1655

**Hon. Chief Minister:** The hon. Lady knows, because it was on the front page of the *Chronicle*, that I signed terms with Shell for the creation of the joint venture, etc. She knows – because she was treated, alongside many others, on the day that we went out in the magnificent procession into the Bay – that the reclamation is now finished. I thought it was a tour of grand GSLP/Liberal projects. Hon. Members were treated to the reclamation on North Mole – the bund wall that has been created there, the fantastic progress that there has been already; the almost complete shell of the new power station; and the *Sunborn* five-star floating hotel. So I have difficulty in understanding which part exactly it is that she would want to know has commenced or not. We have signed contracts, so work has started. On this project she has to remember these are tanks, a lot of which, or much of which, will be developed outside of Gibraltar and they will then be brought to Gibraltar. So that work has now commenced. It will also entail work in Gibraltar being done on the ground there. If she tells me exactly what part of the process she would like me to confirm commencement of, I am quite happy, if she writes to me, to give her the information and the particular start dates for any particular aspect of the work that she is keen to know more about.

1670

**Hon. R M Clinton:** If I may ask one supplementary, in his Budget address, the Chief Minister mentioned the split of ownership as 51% and 49% – could he just remind us which way the split was, whether it was 51% for Shell or 51% for the Government, and is that still the investment structure?

1675

**Hon. Chief Minister:** Mr Speaker, 51% to Shell and 49% to Government.

**Q580/2016**  
**Gibraltar 2025 In Partnership –**  
**Update**

**Clerk:** Question 580, the Hon. Ms M D Hassan Nahon.

1680 **Hon. Ms M D Hassan Nahon:** Would the Chief Minister provide an update following his announcement on 4th May 2015 of the creation of an Economic Advisory Council named 'Gibraltar 2025 In Partnership' to assist the Government in its development of a 10-year strategic economic plan in partnership with the private sector and unions?

1685 **Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, as we considered the direction of this Committee, first we decided not to use it as a way of favouring people in the run up to the General Election, which is how it might have looked if we were appointing people then, and secondly, thereafter we thought it might take a completely different composition arising from the result of the Brexit referendum. We are therefore shortly to announce the details of the board of Gibraltar 2025, now that we know the unfortunate result of that plebiscite – and Members of Parliament need not apply, Mr Speaker.

**Q581-585/2016**  
**Government-owned companies –**

**Boards, accountability, sanctions, remuneration, annual returns, revenue and expenditure**

**Clerk:** Question 581, the Hon. Ms M D Hassan Nahon.

1695 **Hon. Ms M D Hassan Nahon:** To whom are Government-owned companies' board members and companies accountable to, and what is the sanction if they do not fulfil their mandate?

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

1700 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer together with Questions 582 to 585.

**Clerk:** Question 582, the Hon. Ms M D Hassan Nahon.

1705 **Hon. Ms M D Hassan Nahon:** Do we know if Government-owned companies have boards and, if so, who are the members of these boards and what is their remuneration to serve in such capacity?

**Clerk:** Question 583, the Hon. Ms M D Hassan Nahon.

1710 **Hon. Ms M D Hassan Nahon:** Are the annual returns of Government-owned companies available for public scrutiny?

**Clerk:** Question 584, the Hon. Ms M D Hassan Nahon.

1715 **Hon. Ms M D Hassan Nahon:** Can the Hon. the Chief Minister, confirm whether the Government-owned companies submit annual returns and, if so, to whom?

**Clerk:** Question 585, the Hon. Ms M D Hassan Nahon.

1720 **Hon. Ms M D Hassan Nahon:** According to the expenditure item 'Contribution to  
Government-owned companies', this item accounts for 4.99% of total expenditure or  
£25 million, an annual amount that has been transferred to the companies for five successive  
1725 financial years. Then in his Budget address this year, the Chief Minister informed of the creation  
of two more Government-owned companies. I would request clarification from the Hon. the  
Chief Minister to inform where the revenue and expenditure of these companies are reflected?

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

1730 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I thought it was the first day of autumn, but in  
this Chamber it feels like the first day of winter. Somebody is exercising air-conditioning lack of  
restraint.

Mr Speaker, board members of Government-owned companies are appointed at the behest  
of the company's shareholders and owe a duty to the company to action in its best interests in  
accordance with the Articles of Association of the company.

1735 Board members also have statutory duties and responsibilities published under the  
Companies Act of 2014. Apart from sanctions for breach of duty as prescribed under the law, the  
usual sanctions are available to shareholders, which include the right to remove a director by  
ordinary resolution.

1740 All Government-owned companies have directors, as this is a requirement of the law. Some  
of these companies have boards comprising of natural persons; some have a corporate director  
and some have a combination of the two.

Other than board members of the Gibraltar International Bank and Gibraltar Capital Assets  
Ltd, board members do not get any remuneration at all for their services in such capacity.

1745 Details of board members of each company are available from the annual return which is  
filed at Companies House. Annual returns are required to be sent to Companies House and these  
are available for public scrutiny at Companies House – and now, I understand, also online from  
Companies House, Mr Speaker.

1750 The revenue and expenditure of Government-owned companies is reflected in the accounts  
of each company. As I have said a number of times already, and despite the disgraceful practice  
of the former GSD administration, the hon. Lady will welcome that we are committed fully to the  
public filing of annual returns and accounts of all the Government companies. We are catching  
up with the backlog accumulated so disgracefully at the time that the GSD was in Government  
and expect to be up to date as soon as possible.

1755 The £25 million annual contribution is made towards meeting the recurrent expenditure of  
these companies, many of which operate at a loss, such as the Gibraltar Bus Company and the  
Gibraltar Car Parks Ltd.

1760 Mr Speaker, I see that it is 5.30 p.m. and this is the last question that I have bunched together  
for the hon. Lady. I know that we have one or two questions later, so I would expect we will be  
able to rise at 7 p.m. this evening. Can I invite the House to take a 10-minute or 15-minute  
recess now for the tea break, which may avail the hon. the Lady the time that she needs.

**Mr Speaker:** The house will now have a short recess.

*The House recessed at 5.30 p.m. and resumed its sitting at 5.52 p.m.*

**Q586/2016**  
**Companies withholding PAYE deductions –**  
**Sanctions**

**Clerk:** We move on to Question 586, the Hon. Ms M D Hassan Nahon.

1765

**Hon. Ms M D Hassan Nahon:** Thank you. I had no supplementaries. I reviewed what the Chief Minister had answered, so I was quite happy to let that one go there.

1770

With reference to PAYE, which is withholding tax on income payments to employees, as I understand PAYE means that the tax was deducted by the employer from its employee's salary but not paid over to Government. This means that on 31st March 51.72% of tax arrears were attributable to companies.

I request the Hon. Minister to inform what sanction Government imposes on companies withholding PAYE moneys and not paying them over to Government?

1775

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

1780

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I am assuming that when the hon. Member opposite quotes 51.72% of tax arrears being attributable to companies she is referring to the published data, which is table ITO12 of tax arrears, which totals £28.71 million as at 31st March 2016. Of this, £7.79 million is described on the schedule as 'companies' and relates purely to Corporation Tax; that is to say that whilst these moneys are indeed due by companies, it is in respect of their own corporate tax liabilities, not their employees' PAYE.

1785

By way of clarification, then, I will point out that it is only the figure of £7.06 million described as 'PAYE' on the aforementioned schedule which constitutes Income Tax deducted from employees via the PAYE system but not remitted to the Tax Office. The proportion of 51.72% quoted by the hon. Member in her question is therefore overstated by over 27%.

1790

Mr Speaker, as you are aware, the PAYE, Pay As You Earn, system of taxation requires employers to compute and deduct from each employee's remuneration the amount of Income Tax due on a monthly basis. Said deductions are to be remitted to the Commissioner of Income Tax by no later than the 15th day of every month. Any amounts deducted from employees' pay packets but not remitted to the Commissioner of Income Tax within the statutory timeframe constitute arrears due by the employer to the Government. Such arrears are monitored by the Compliance Section of the Income Tax Office, which applies administrative and other legal measures to ensure recovery of outstanding liabilities.

1795

The statutory obligation to deduct Income Tax at source and remit these moneys to the Government is imposed by the Income Tax Act 2010 and by the PAYE system itself, which is governed by the Income Tax (Pay as You Earn) Regulations. As the hon. Member is aware, Section 68 of the Income Tax Act 2010 provides for defaulting taxpayers within given parameters, including employers, to have their names published in the *Gazette* – the so-called 'name and shame' provision. The Commissioner has invoked this provision on a number of occasions and will continue to do so.

1800

1805

In answer to the specific question regarding what sanction Government imposes on employers who fail to pay over to Government the amounts deducted from their employees' pay packets, I direct the hon. Member to section 19 of the PAYE Regulations – which are, of course, public. She will see that any such employer is now guilty of an offence, which, as from August 2015, shall be liable to a maximum fine of £10,000 and ultimately imprisonment for up to seven years. The provision, which, as I said, was legislated for in August of last year under this administration, shall come into force as soon as the liability for the current tax year can be quantified, which is usually on submission of the annual declaration of Form P8 by employers.

1810

This constitutes a severe sanction aimed at non-compliant employers and is a clear signal to those who abuse the PAYE system.



Mr Speaker, I am quite happy to let the hon. Lady have a copy of the information that the Hon. the Leader of the Opposition has requested in relation to PAYE when I send him that, which may assist her in her further considerations of these issues.

**Q587-588/2016**  
**Import and export statistics –**  
**Expected date for updated figures; exclusion of petroleum products**

1815 **Clerk:** Question 587, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Could the Hon. the Chief Minister explain why the import and export statistics, of which the most recent data sets are for 2014, exclude petroleum products, which I have been told could account for in excess of 75% by value of Gibraltar's imports and exports?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Question 588.

1825

**Clerk:** Question 588, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** The most recent import and export statistics are for 2014 as contained in the Abstract of Statistics 2014 which was released in December 2015. However, 'the source data for 2014 is incomplete and will be revised once all the declarations have been processed by HM Customs'. That was a quote.

1830

Would the hon. Minister inform when the 2014 data set will be released and also when the 2015 data set will be released? These data sets ought to be available to the Hon. Minister, as it was no doubt used in the estimation of the 2016-17 import duties.

1835

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

**Hon. Chief Minister:** Mr Speaker, the import and export statistics exclude petroleum products because, if included, they would completely distort the real trade statistics. Petroleum product imports are re-exported and including these would artificially inflate both the levels of trade imports and exports. In fact, Mr Speaker, the GDP would go through the roof.

1840

Mr Speaker, the first part of Question 588 mentions 'once all declarations have been processed by H M Customs'. The declarations referred to are the non-dutiable declarations. The second paragraph asks when the 2014 and 2015 data sets would be released. This is a statistics matter not a Customs matter, although Mr Speaker and hon. Members are aware that I hold direct ministerial responsibility for both Departments.

1845

The Abstract of Statistics of 2014 was released in December 2015. The 2015 data set will therefore be released whenever Statistics complete the Abstract of Statistics for 2015, which I am informed is likely to be published very shortly.

1850

The availability of the incomplete data sets for the estimation of the 2016-17 import duties would not be relevant as these relate to the non-dutiable declarations, that is to say commodities that do not attract import duty and would not therefore have a bearing on current import duties on future estimations unless Government were to introduce new levies. The House will nonetheless be pleased to note that the processing of all dutiable declarations is up to date.

1855

**Hon. Ms M D Hassan Nahon:** Is the Chief Minister able to provide an insight as to which other countries in the world withhold their import and export statistics?

1860 **Hon. Chief Minister:** Mr Speaker, 'other countries' suggests that we do. I think the answer I have given the hon. Lady is that we do not. It is that we do not include that reference because it is not real trade and therefore it would distort the numbers. We are required to ensure that we provide an accurate reflection of trading in Gibraltar in the compilation of those statistics. The advice that we have, in keeping with international standards, is to not include them, otherwise  
1865 we will be producing a distorted picture of trade in Gibraltar. That is my understanding. *(Interjection)* As far as I am told by the Hon. the Father of the House, it has never been included in any event since the calculation of statistics was provided for.

**Mr Speaker:** Next question.

### Supplementaries to earlier questions

1870 **Hon. R M Clinton:** Sorry, Mr Speaker, you gave us leave to come back to the Chief Minister's answers to my questions if I had any supplementaries. Is this the right time? Yes, thank you, Mr Speaker.

If I could ask the Chief Minister, in relation to my Question 550: how many Government rental units were caught by the mortgage? This is not really a technical question in relation to  
1875 the transaction itself. Does the Chief Minister have this information readily available, or not?

**Chief Minister (Hon. F R Picardo):** I do not, Mr Speaker, but from memory – so it is not reliable, and I am quite happy that it is a number we will give him reliably if they decide to accept the offer that I have made that we should meet – I believe it is 3,024.  
1880

**Hon. R M Clinton:** Thank you, Chief Minister, for that number.

If I can go back to the answer to Question 541 where the estates were valued at £370 million, I note that the actual consideration for all these six estates was £397 million. Can he advise as to the discrepancy to the valuation of the £27 million?  
1885

**Hon. Chief Minister:** Can he repeat the question, Mr Speaker?

**Hon. R M Clinton:** Certainly. In his answer to Question 541, he says at the later completion the estates were valued at £370 million. I note from records at Land Property that the total consideration paid was £397 million. Can he advise how the discrepancy of £27 million arose? Was there another valuation undertaken? Does he have the information available?  
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**Hon. Chief Minister:** Mr Speaker, I cannot give him an answer to that detail, but no doubt it is an answer that we will be able to give him in the context of the meeting that I have proposed and I invite them to accept.  
1895

**Hon. R M Clinton:** Thank you, Mr Speaker. In terms of the invitation to the meeting, I will hand over to the Leader of the Opposition.

1900 **Hon. D A Feetham:** Mr Speaker, before I get there, I have got a number of supplementaries myself.

In relation to the previous supplementary by my hon. Friend – the number of units there are effectively affected by the mortgage – the simple answer is, isn't it, that it is all the flats except those that the previous GSD administration had actually sold to incumbent tenants?

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**Hon. Chief Minister:** Sorry, can he repeat that? I was dealing with another urgent matter. I am sorry about that.

1910

**Hon. D A Feetham:** Yes. When we talk about the question that is on the Order Paper, which is the number of flats that are effectively mortgaged under this scheme, and the hon. Gentleman has said 'I do not have the number, it is 3,500,' or whatever the figure is, the simple answer, isn't it, is that it affects – and I know it is the blocks that are mortgaged – every single flat except those that were sold by the GSD Government when we were in government? Everything else comes within the actual mortgage and the loan that has been granted to the Government.

1915

**Hon. Chief Minister:** Mr Speaker, I do not accept that it is a mortgage. I think to call it a mortgage is to mischaracterise it and to bring the politics into it –

1920

**Hon. D A Feetham:** A charge is a mortgage.

1925

**Hon. Chief Minister:** Well, Mr Speaker, for a mortgage to be the relevant definition, the tenant would have had to consent to the fact that a loan has been granted over it, and although you might express it in that way, if you are using that term politically, what you are trying to do is convince people that their homes are at risk. Their homes are not at risk here, Mr Speaker. So let us be clear: people's homes are not at risk. And it is not just the properties which were sold by the GSD – there are also some properties which were sold by the GSLP/Liberals. We sold some after we were elected because there were applications to buy and we continued to sell – not that many, Mr Speaker, but there were a few. It is the blocks that are the subject of these facilities.

1930

**Hon. R M Clinton:** Mr Speaker, if I may – and again I confess to not being a lawyer – I have a deed registration, just by way of example, for the Alameda Estate. It says:

Ground Floor, Gibraltar Capital Assets Ltd. Grantee: Prudential Trustee Company Ltd. Consideration banking facilities, 10-year mortgage. Deed details: the Grantee creates a mortgage charge in favour of the Grantee secured on the buildings.

1935

As I said, I am not a lawyer, but given the deed of mortgage, which is actually headed up 'Deed of Mortgage', I just would like the Chief Minister to acknowledge that this is indeed a mortgage.

1940

**Hon. Chief Minister:** Mr Speaker, I think I have made it abundantly clear that what I was complaining about was that they were politically trying to refer to it as a mortgage in order to create the spectre that people are going to somehow have their homes at risk; and, whether they like it or not, people's homes are not at risk.

1945

This is what they are trying to do – it is very clear to me, Mr Speaker – and we are not going to be able to agree if they want to insist on using terminology for a purpose. But, look, it is entirely a matter for them. Do they want to approach this simply politically or do they want to approach this, as I have suggested to them, collegiately in the meeting that I have tendered? It is up to them, Mr Speaker. It is entirely up to them.

**Hon. R M Clinton:** Mr Speaker, as I said before, I am not a lawyer. I was merely trying to clarify the use of terminology. Everything I see before me ... A legal document, filed by TSN, has

1950 at the top of it 'Deed of Mortgage'. I would ask the Chief Minister to explain to me. Either I cannot read English or TSN have a habit of drafting documents that are not mortgages.

**Hon. Chief Minister:** Which part of 'I am talking about the political use of the term' is it that he does not understand? He does not need to be a lawyer to understand what I am trying to say to him.

1955 He is trying to make out that there is somehow a risk to people's homes – they spent the better part of the summer trying to do so. Or is it that he accepts that is not the case? If he accepts that is not the case, then we may actually be making some progress. If he wants to talk about the legal documentation, can he at least now accept, given that he tells us that he has in his hand a paper – he is starting to sound more and more like Neville Chamberlain every day, Mr Speaker – that there is no secretive aspect to this at all, because he is able to go to the public registry and obtain a copy of the documents.

1960 **Hon. R M Clinton:** Mr Speaker, I am not trying to make a political point. I am just trying to establish fact. Is this or is this not a deed of mortgage?

1965 **Hon. Chief Minister:** I do not know – he has got it and I have not.

**Hon. R M Clinton:** Mr Speaker, I will be quite happy to hand it across the floor, with your permission.

1970 **Mr Speaker:** Yes, do.

**Hon. Chief Minister:** As I thought, Mr Speaker, this is not a mortgage of any flat.

1975 **Hon. R M Clinton:** Mr Speaker, I did not ask whether it was a mortgage or deed on any flat. I said, 'Is this a deed of mortgage over the estate?'

1980 **Hon. Chief Minister:** No, Mr Speaker, he has said that now. He has said that now, and when he goes back to *Hansard* and he reads what he was saying and he reads what I was saying, he will understand why I was insisting that nobody's home was at risk, because there is no mortgage over any *flat*. There are charges over buildings but not mortgages over flats. That is why absolutely nobody's property, nobody's home, is at risk, Mr Speaker.

1985 **Hon. R M Clinton:** Mr Speaker, I know the Chief Minister is fond of references to literature, and I remind him of Shylock in *The Merchant of Venice*. What he is basically saying is he can have his pound of flesh regardless of a jot of blood, and obviously you can have a mortgage over the building and somehow ignore the flats. It is illogical and he knows that. But I think I am not going to labour the point, Mr Speaker. He acknowledges this is a mortgage of sorts –

1990 **Hon. D A Feetham:** No, it is a mortgage.

**Hon. R M Clinton:** Well, it is a mortgage of sorts. Over what? It is over the building – fine we can establish that.

1995 As regards to meeting with him, I will let the Leader of the Opposition deal with that, but he cannot ... Again, unfortunately, I am at a disadvantage. I am not an Oxford-educated lawyer. I cannot split hairs the way he does.

**Mr Speaker:** It is not always an advantage.

2000 **Hon. R M Clinton:** Well, I am glad to hear it, Mr Speaker, but as I say, the evidence of my eyes  
says this is a mortgage. It is headed up as 'Mortgage'. There may be technical details as to  
whether it is over individual flats, the flats, the building, the land, the air above it, the ground  
below it, but at the end of the day it is a deed of mortgage and it is there for all to see, and that  
is my point. Thank you.

2005 **Hon. Chief Minister:** Well, Mr Speaker, I thought we were not going to make statements  
these days and we were going to ask questions. Let me deal with the statement. I am very  
grateful the hon. Gentleman has reluctantly recognised that this is a mortgage over buildings  
and that there is no mortgage over people's homes, because they started the summer saying  
2010 'the Government has mortgaged your home' to people, and they have ended the summer  
accepting that there is no mortgage over people's homes. So at least, Mr Speaker, they have  
recognised that sometimes they set the hares running in the wrong direction.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, may I? If I may, I think that the point here, and the  
2015 point that people want to know really, is as much as the Chief Minister may tell us that the deal  
was made under very good terms, why was this mortgage absolutely necessary? Why did we  
need to get involved in a mortgage loan? I am also not a lawyer or a banker – well, I used to be.  
Why £300 million? Why does Gibraltar have to be saddled with a loan, whatever you want to call  
it, of £300 million? What is the need for that, even if the terms may be magnificent?

2020 **Hon. Chief Minister:** Mr Speaker, I am quite happy to refer the hon. Lady back to what I said  
in my Budget speech, but we are not 'saddled' with a loan. This was a great opportunity to take  
finance at historic low rates, and if you have that opportunity and you have other borrowing  
which you know in the future is going to fall due and you are able to replace it with better  
2025 borrowing, then you have an obligation to ensure that you are ready to take that borrowing  
which is available today at better rates to replace other borrowing in the future or to do other  
things with it. Mr Speaker, those were the opportunities with which we were confronted. Those  
were the opportunities we were able to take.

Mr Speaker, I have offered the hon. Lady, as well, a meeting to deal with these issues so that  
2030 she better understands the detail of what we are proposing to do. I think it is quite  
unprecedented for a Chief Minister to offer that level of openness and that level of opportunity  
to understand a transaction and to understand the purpose of a transaction and the detail of it –  
I am quite happy to have it. But, look, I have been saying I do not think it is appropriate to do  
that across the floor of the House for reasons that might become more apparent to hon.  
2035 Members if, instead of pursuing me as if I were a hare, they were to sit down with me and get  
the information that they seem to be seeking. They may even, perish the thought, agree with us  
and they may even, perish the thought, say so.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I look forward to finding out more and taking the  
2040 Chief Minister's offer of finding out why we needed, or it was advantageous, to take the  
£300 million.

**Hon. D A Feetham:** Mr Speaker, I have a number of supplementaries. There are a lot of  
2045 questions that have been asked in relation to this and it is an important issue.

I also have a document here and this is the actual surrender. It gives rise to a number of  
supplementaries, but I will ask the first one first. It is a partial surrender of tenancy from the  
Minister for Housing onto Gibraltar Residential Properties Ltd. In that surrender, there is a  
surrender of the blocks, effectively, but then there is a carve-out in relation to specific flats. So  
we can see that in Moorish Castle there is a carve-out for Calpe House, Flat 20; there is then a  
2050 carve-out for Ince House, Flat 17; Archbishop Amigo in Glacis Estate, Flats 1, 10, 11, 37 and 47.  
These are all the flats that have been sold, so effectively they have been excluded from being

2055 caught by the mortgage of the blocks. Therefore, just returning to the question that I asked, the reality is that every single flat is covered by the mortgage except those that have been carved out as a consequence of this document, but because these were sold either by the GSD Government or the GSLP/Liberal Government to the incumbent tenant.

2060 **Hon. Chief Minister:** Mr Speaker, this is a complex area of law and we can turn it into an easy political football. The buildings are mortgaged. Parts of those buildings are excluded because they are not owned by the party that is granting or that is taking the facility. The other parts are parts of the building. But the apartments and the rights in respect of those apartments are not, as in a mortgage that people will understand they take, subject to forfeiture in the event of payments not being made which might defeat the rights in possession of those who are tenants. That is what I am trying to say to him.

2065 I have offered him an opportunity to sit down and look at this in detail. If instead he wants to play ball and not sit down and do business together on the subject – because he might find that he agrees with us and he might find that he thinks that this is the right thing to do, and he might find that if he had had the opportunity of doing it he may also have pursued it – well then let us do politics in the usual way. He and I, Mr Speaker, are very good at going at each other. You sometimes have to intervene to stop us from going at each other instead of dealing with parliamentary business in the way you think is appropriate.

2070 I offered an opportunity to do something else, but I have not offered an opportunity to do both things, Mr Speaker. Either we sit down and we look at this and I explain it to him, or he subjects the Parliament to a list of questions which are slapdash. Why doesn't he just ask me those questions after the meeting if he is not satisfied with what we have told him? What is the point of answering every question he thinks he can come up with when I am offering him an opportunity to sit down with the experts and understand it?

2080 **Hon. D A Feetham:** No, Mr Speaker, that is unfortunately a skewed way of looking at it. He has offered a meeting – which we are considering, and I will respond to that in a moment – about the technical aspects of this particular deal. As I understood him, he was offering a meeting where basically he could impart information that may be commercially sensitive to the Opposition, which then the Opposition would have to treat in confidence.

2085 This is not such information, Mr Speaker. We are asking here how many of these flats ... That is the question: how many of these flats are affected by this mortgage? I am trying to understand precisely what the information is, because the answer to the hon. Gentleman was '3,500-odd flats'.

2090 The question that I then asked was: well, actually, isn't it the case that it is every single flat in these estates except the ones that have been carved-out because they were already sold? That is the only point that I am asking in this supplementary. That is not technical. That is capable of being answered.

2095 **Hon. Chief Minister:** Well, Mr Speaker, I gave him the answer three answers ago. I told him exactly: except the ones that not just the GSD sold, I said to him, also the ones the GSLP sold. So if that was the only question he was asking, he should have listened to the answer given three supplementaries ago. That is why this Parliament makes no progress, Mr Speaker. I really commend to the hon. Gentlemen that they watch Prime Minister's Questions and that they see how other Parliaments operate, because Mr Speaker is right to call us to order, but hon. Gentlemen also have to have an element of order about themselves. They have to realise what it is they are saying over and over again. And I said it was 3,024, from memory, not 3,500.

2100 Mr Speaker, I said two things in relation to the meeting. I said 'complex detail' – complex detail is not necessarily commercially sensitive – and 'commercially sensitive material', but if what he wants to do is take me through the complex detail today and then the commercially sensitive information another day, that is completely disjointed. All he is going to achieve is that

2105 we are going to spend a lot of hours debating something which ... Look, he might simply take the view that if he can argue about this for long enough he might be able to pull the wool over people's eyes on the subject and he might have some political advantage. Let me offer him, again, the olive branch of a meeting to go through complex detail and commercially sensitive information.

2110 Of course, not everything we are going to tell them is something they will be not be able to refer to in public – some of it will be. That is why we will tell them, 'This you can refer to, this you cannot refer to.' It is that simple. But please, Mr Speaker, if he could just at least ... if he is going to ask more supplementaries, can he ask me one I have not answered already?

2115 **Hon. D A Feetham:** Well, I am afraid that he did not answer the question. Does the hon. Gentleman really think that I enjoy standing up asking questions for him to just simply to avoid or evade or to decide in his own mind whether strategically he should answer or he should not answer? Because this is what is happening in these exchanges. He could have answered three or four questions ago the question that he has now answered.

2120 Mr Speaker, in relation to the answer that he gave originally ... He must not get upset, Mr Speaker. Listen to the question. In the answer that he gave originally to the questions that were asked, he said that the GSD Government had placed these estates into Government-owned companies. Does he not accept that that answer is actually misleading, for this reason: that, yes, the GSD Government placed some of these estates into Government-owned companies, but actually then took them out of the Government-owned companies, and as at 2011, when they were elected, they were vested in the Hon. the Minister for Housing? That is the position. And one estate which was placed in a Government-owned company for the very first time was Mid Harbours, and Mid Harbours was placed in a Government-owned company for the very first time by the hon. Gentleman. Does he not accept that that is the position?

2130 **Hon. Chief Minister:** Mr Speaker, nothing I have said is misleading. Everything the hon. Gentleman has said is absolutely misleading and I am going to give him the benefit of the doubt, because I am going to say that it is misleading because the hon. Gentleman did not have a clue of what was happening in the Government of which he was a Member. I am not surprised, because I have seen him told to shut up here by the man he used to describe as the greatest Gibraltarian of all time. I never thought I would say it: I miss Sir Peter. I spent my life trying to get that man out of politics, and I miss him because at least one could have an intellectual argument with him. One did not have to repeat the facts and one did not have someone tell you that what you know you said three answers ago is not what you said three answers ago because they have just realised that they made a mistake. Mr Speaker, as I told him at the time of the Budget debate last year, *Hansard is un chivatito*, a little snitch, Mr Speaker – that when time comes for us to be judged by objective third parties who will read what we were saying to each other, will see that I gave him the answer four or five supplementaries ago.

2145 Mr Speaker, the position, as I understand it from the information I have been given from the Treasury and the Office of the Financial Secretary and the Ministry of Finance, is that at the time of our election the housing estates were in companies – I have told him in the context of the answer today – and that they were put into companies by the former administration. The only reason that the Mid Harbour Estate did not have to be put into a company is because it was given life to in a company by the former administration, led by a man I am increasingly coming to wish I would see sitting opposite me – if only ever on that side, never on this side – because at least, Mr Speaker, one could have an argument based on facts and moving the intellectual argument along, not having to repeat oneself over and over again.

2150 **Hon. Ms M D Hassan Nahon:** Mr Speaker –

2155 **Hon. D A Feetham:** Mr Speaker, if I may, because I am on this line of questioning before the hon. Lady – no discourtesy intended to the hon. Lady.

Mr Speaker, I just cannot allow him to get away with this. I am a lawyer. I have in front of me two documents and I have in front of me a document which is a tenancy agreement between GRP and the Housing Minister, and it lists the Housing Estates, putting the housing estates back in the name of the hon. Lady. Then, there is an agreement for the partial surrender of tenancy made between the hon. Lady and GRP, which basically puts them back in the name of GRP subject to a carve-out. Mr Speaker, if he can demonstrate I am a complete ignoramus as far as the law is concerned ... These are documents that are very clear, Mr Speaker. Of course, I accept that these housing estates were at one time placed in these companies, but they were taken out and they were placed in the name of the hon. Lady prior to the 2011 Election and these documents show that.

2165 Now will he, at the very least, go back to the officials he says gave him the answer – which is the political sting in his answer, so this was all down to the GSD – and would he at the very least enquire whether I am right in my interpretation of the documents? They are not very difficult documents, I have to say.

2170 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman needs to listen to what I have said about where the estates were and when I said that they were there, Mr Speaker. But he sits down, having said, 'I am not going to let him get away with this.' He sits down in his previous supplementary having said, 'That is the position'. Well, he thinks he speaks from St Peter's chair. St Peter has gone, Mr Speaker. That is the problem. We would not have these problems if St Peter was here.

Mr Speaker, I am not going to say that he is an ignoramus as a lawyer or not an ignoramus as a lawyer, because as he said before we are both members of the same firm. I would not be doing us any good marketing if I said that he was an ignoramus as a lawyer. I make no comment on his legal ability. It is good enough that he is one of my partners, but he might have got this transaction completely wrong. He may not understand it. That is why I am saying to him this is a very complex transaction. He may want to understand it or he may just want to take pot shots, Mr Speaker.

2185 The officials who gave me this information are listening. I am sure, Mr Speaker, that they will confirm that what they told me to come to this House with is the correct position and that what he is saying is not the correct position. I realise that in the terminology that he has used in explaining the documents that he has – at least Mr Clinton had the decency to let me see it – he has used the terminology of 'tenancy'; he has used different terminology to the terminology of transfer of ownership. Mr Speaker, I am not going to have a litigation across the floor of this House. I stand by what I said. I know that officials prepare us well for these exchanges. I have faith and confidence in the officials who gave me that information. I have said it before and I have said it again: if he wants, he can still have the meeting and then he may not feel that he is anything other than the greatest lawyer of all time, but he might accept that perhaps in terms of understanding this very complex transaction he was an ignoramus until we sat down and explained it.

2190 **Hon. D A Feetham:** Mr Speaker, quite frankly, I do not need the officials to explain the transfer of ownership. That is not of the technicality that I would need explaining, and I just simply ask the hon. Gentleman to go back and to check with the hon. Member's staff – the ones who have produced his answers – whether it is correct in the light of the documents that I have referred to, that as at December 2011 these estates were in the companies and were not vested in the hon. Lady as Minister for Housing, because that is what the documents indicate to us and they are pretty clear as far as we are concerned. Now, he can do that, and if they come back and they say Mr Feetham is wrong I will accept that, but as far as I am concerned it is pretty clear.

2205 In relation to the meeting, Mr Speaker –



**Hon. Chief Minister:** Let me deal with that one. Mr Speaker, I will go back because when I go back they will have been listening to this and will be talking about the fact that he failed to understand the transaction and they will explain to me why he has got it completely wrong. But I can tell him now, from here, from what used to be St Peter's chair, that there is one thing he has got completely wrong. It certainly was not the hon. Lady. She only became Minister for Housing last year. If he is talking about December 2011, the Minister who was appointed as Minister for Housing unfortunately is no longer with us – our great friend, Charles Bruzon, who we all, I know, on both sides of the House will remember fondly. I assume he means the Housing Authority, which is the nomenclature of the Housing Minister. Well, the nomenclature for the Housing Minister is the Housing Authority. Mr Speaker, of course I am going to have that discussion when I go back, but the one thing that I am sure he will not accept is 'graciously say I got it wrong' when I come back to him and say 'Look, Danny, you were wrong and they were right in what I have been saying all along.'

**Hon. D A Feetham:** Yes, Mr Speaker, he can also go back to his officials and just simply look at the parties and look at who has signed it. It is the hon. Lady that has ... no, it is not the hon. Lady, but who has signed it and who are the parties to this particular transaction, and also what is the substance and the nature of these two documents. If he wants, I can make copies and he can take those with him as well.

In relation to the meeting, Mr Speaker, as long as it is understood that information that is not commercially sensitive that is imparted to the Opposition in a meeting ... that the Opposition can do what it wants to do with that information, and if the Opposition feels that part of that information ought to be brought into the public domain, that we are not constrained to do so by any restrictions ... We accept that if there is commercially sensitive information then it is right that we do not disclose it publicly, but a lot of the information that the hon. Gentleman was asking about was nothing to do with commerciality, it was just simply technical answers to technical questions and the Opposition must reserve the right to make whatever use of that information it chooses to make use of.

**Hon. Chief Minister:** Mr Speaker, he does not need to make copies of our documents, which we have generated, we have filed on the public register for him to be able to make copies of and take home. We do not need them; we have got the originals, Mr Speaker. But he might like to at least tell me what document he is looking at, because this is a very complex transaction with many documents. Let him refer me to what document it is that he wants me to look at.

Mr Speaker, in relation to the meeting, all he has done in setting out those conditions is accept the conditions that I indicated would be the case, because the fact that there is complexity does not create any need for confidentiality or sensitivity. I said to Mr Clinton, 'Complexity ... Once you have understood it, you may like it or you may not like it, you may praise it or you may not, but the commercially sensitive aspects are the ones that we must insist be kept confidential,' and those are the ones, Mr Speaker, that we will insist are only disclosed upon them agreeing that – and Mr Clinton indicated that they would.

Mr Speaker, I think the best thing to do is to go to that meeting and not waste time, like two people who want to demonstrate something which does not avail us of any progress, when there is, I think, a very generous offer on the table that enables them to have both complexity explained and commercially sensitive material explained under the cover of the fact that that would be commercially sensitive and could not be disclosed.

I think the problem is, Mr Speaker, that they have never had such an offer. They never imagined that such an offer would be put in this Parliament and they do not know how to react to it. But it is no problem, Mr Speaker. All is forgiven and I hope that we can meet soon.

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

2260 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I would not want to venture into this ping-pong  
between the two lawyers from one of Gibraltar's leading law firms – I would not like to think  
that I could compete – but I just think that it is almost irrelevant, all these technicalities and all  
this jargon that they keep talking about with each other, because I do not understand it. People  
do not understand it, but one thing that people do understand is that they do not know why this  
2265 £300 million has been borrowed and the Government has not done enough to calm the man on  
the street who needs to know why this money was borrowed. It is creating a lack of confidence,  
a lack of trust, and it is causing a sense of fear and insecurity. As much as I am grateful for the  
Chief Minister's offer to meet – and I look forward to it because that way I could relay any  
information on to my constituents or people who are worried on the street – I do think it is  
2270 down to the Government of the day, this Government, to communicate with the public, because  
there are a lot of people who are genuinely insecure about why this huge amount had to be  
borrowed. I think it is down to the Government – as much as we all get offers, and I am grateful  
for that – to come out and make people comfortable with this arrangement.

2275 **Hon. Chief Minister:** Well, Mr Speaker, the short sharp answer went the way of doing one's  
homework.

Mr Speaker, this transaction does not create a lack of confidence. This transaction  
demonstrates an unprecedented level of confidence in Gibraltar and its Government. Never has  
Gibraltar before been offered the opportunity to borrow this amount of money on this low level  
of interest. This is really quite unprecedented and is such a show of confidence in the jurisdiction  
2280 that everybody should realise just what steps forward we are taking. I am very proud indeed to  
be leading this community at this important time in its history and to be able to deliver this  
important financing package to it.

If some people are feeling an element of fear or insecurity, if I may say so, that is not of the  
Government's making. The hon. Lady says we have to explain better why it is that we have  
2285 borrowed the money etc. Let me just say this: I think if there is fear and insecurity it is because  
there are people distributing leaflets to every home where they are making people fear that  
their home might be at risk. But that, Mr Speaker, is not something that is having the required  
effect, because people who I meet – and I meet very many people and I communicate with very  
many people, and I wish I could communicate even more with the people who I work for, who  
2290 are the people in this community and the people for whom this money will be put to the use of –  
tell me that they realise that if we have done this they are with us because it must be the right  
thing to do, and they understand that.

But I will say this to the hon. Lady: it is a novel approach in Opposition to say to a  
Government, 'You may have done something very good – explain it a little better, because  
2295 people do not understand it.' It is helpful, I recognise that, and if she thinks that there are  
pockets of people who have not understood it well, then I take that on board because I want  
people to understand it well. If others have been able to sow fear and insecurity, for them to  
realise the huge boost for the confidence of our nation that this is, the huge show of confidence  
by international investors that this is, then perhaps I should just consider taking her on as our PR  
2300 adviser on issues like this.

Thank you very much, Mr Speaker.

2305 **Mr Speaker:** May I just remind the Chief Minister that the Commission to which he appointed  
me and which I had the honour to chair, in a report stressed the importance – and I do so as  
Speaker as well – of ministerial statements here in Parliament. It is one thing, as part of a Budget  
speech that may last two hours or two and a half hours, to explain something. It is quite another  
to come here to the House and make a ministerial statement at the beginning of the meeting  
which the media, the press, are likely to reproduce in full. I would commend that approach,  
because it is something that worked very effectively in the past and I think that it would work  
2310 again for the benefit of all Members of Parliament and the public.

**Hon. D A Feetham:** Mr Speaker, may I?

**Hon. Chief Minister:** Mr Speaker was addressing me.

2315 **Hon. D A Feetham:** Was he, or was he addressing the House? If you want me to give way, I will. I was on my feet, but –

**Hon. Chief Minister:** So am I. The last time I checked, the things at the bottom of my legs were my feet. Right.

2320 Mr Speaker, I am grateful for that indication. I thought that in the Budget it was the right moment – because it was the first meeting of the House after the transaction had been completed and it was a financial arrangement, although it did not relate to the Estimates – to bring it here. Hon. Members spend most of their time saying that we do not deal with the company issues. Well, what more company issue than this, that is in this House. Of course, the  
2325 fact that they are able to question, they have the documents, etc. demonstrates that they are wrong when they say that, and I am grateful for Mr Speaker's indication that we make more use of the ministerial statement.

I recall, Mr Speaker, that I made use of the ministerial statement procedure during the course of the debate on the Appropriation Bill last year, where I had to adjourn that debate and make a  
2330 ministerial statement, and that was indeed very effective, so I take that on board.

**Hon. D A Feetham:** Mr Speaker, in relation to the answer that he gave to the hon. Lady, does he not accept that if the Government were to, God forbid, be in a position where the Government cannot pay for this loan, effectively it would place the mortgagee in a position  
2335 where they would be in a position of a private landlord in relation to these particular tenants? Because otherwise security would be a worthless security.

I know that it is far-fetched that the Government is going to go bankrupt, but in a situation where the Government cannot pay, does it not follow therefore that the company that is providing this particular loan would effectively own these estates and that the tenants would  
2340 become private tenants?

**Hon. Chief Minister:** Mr Speaker, I rise to do something unusual, which is to thank the hon. Gentleman for the statement he has recorded now in the *Hansard* – which, as he rightly says, is there for the future – where he has said it is far-fetched to think that the Government is going to  
2345 go bankrupt. I sincerely am grateful for the clarity with which he has uttered those words, given that he has spent most of the last five years suggesting it is about to happen at any moment. The fact that that premise was rejected so soundly seems at least now to have got through to him and I am now going to be able to refer this *Hansard* reference to anyone who might be persuaded the hon. Gentleman is once again going to go down the road of arguing the opposite.

2350 Mr Speaker, in the event that the facility were not to be paid – Government or otherwise, because the arrangements are, as he knows, not directly with the Government – there is, of course, a procedure for enforcement. But he needs to understand that the point I am making to him is that the enforcement procedure takes subject to the right of the tenancy and therefore nobody can be evicted from their homes – nobody – because they take subject to the tenancy as  
2355 it is, which is covered by the Housing Act, Mr Speaker, and is the most protected tenancy that there is in Gibraltar. So nobody's home is at risk and nobody is going to suffer a rent increase as if from a private landlord. All of the eventualities that he might wish to put to people to try and persuade them that this is a bad thing, in the eventuality that he has accepted will never occur, have been provided against and will never happen. There will not be any rent increases as if this  
2360 were private property. There are no evictions, as it were.

The only thing, Mr Speaker, is that as we have now agreed across the floor of the House, whether it is the Government, Gibraltar Capital Assets or a private tenant, people will be evicted

2365 if they do not pay their rent, and hon. Members opposite have insisted that we should do that –  
that we should pursue people to eviction if they do not pay their rent to us. People have to  
realise they have responsibilities and obligations and they have to pay rent. That, Mr Speaker, is  
the only circumstance in which somebody may lose their homes, but it would be a man bites  
dog. But, of course, if we look at the basic premise, which is when does the security kick in, it is  
only in what he has now accepted himself is the far-fetched possibility that the Government  
2370 might not be able to pay, as he expressed it. Mr Speaker, it is so far-fetched that it is never going  
to happen and so therefore anything that we argue about now is about that remote possibility,  
which is not realistic, which is not going to happen, and where the only people who would  
appear to want to see that eventuality materialise, are the six – I am not going to say seven – the  
six servants of the people sitting opposite me who might think that in some way that might avail  
them of political hay. Mr Speaker, it was never going to happen. They spent most of the period  
2375 in the lead up to the last election persuading people that it might happen. It is never going to  
happen in the future. This community is more solvent than it ever has been before. There is a  
huge boost in the confidence that people can have with the public finances of Gibraltar that we  
have done this deal. Gibraltar is doing very well indeed, better than ever.

2380 **Hon. D A Feetham:** Mr Speaker, on the one hand I want Gibraltar to be bankrupt, but on the  
other I make the concession that it is far-fetched for Gibraltar to become bankrupt. The hon.  
Gentleman must also be consistent himself, despite the fact that he is constantly accusing me of  
inconsistency, Mr Speaker.

2385 Of course, I do not want Gibraltar to be bankrupt. It is my living. My business is in Gibraltar.  
We are both partners in the same firm, which makes a living out of the fact that Gibraltar is  
solvent. That does not mean that I am not entitled to question the hon. Gentleman as to the  
repercussions and the consequences of all that money that he has borrowed and all that money  
that he has spent today and for future generations, particularly in the light of a Brexit. But how  
on earth can he possibly impute to me that I want Gibraltar to be bankrupt when it is my own  
2390 living and his living – it is our living jointly, Mr Speaker – and it is the living of everybody else in  
Gibraltar?

2395 Mr Speaker, these are the two documents that I would wish that the hon. Gentleman put to  
public servants when they come to consider the point that I raised before, which was a point  
addressing the hon. Gentleman's point about ... Well the GSD was the one that actually did all  
this, and that is a document ... it is a tenancy agreement between Residential Properties Ltd and  
the Minister for Housing –

2400 **Mr Speaker:** Isn't the hon. Member repeating himself? He is going over the same ground  
again.

**Hon. D A Feetham:** No, I am not asking a question. I am just detailing the documents.

2405 **Mr Speaker:** But you already have. (*Interjection*) I think we all know. We have all heard what  
the document is you have –

**Hon. D A Feetham:** No, Mr Speaker, you have not, because I may have inadvertently ... In  
these exchanges, there may have been a confusion in relation to who signed the document and  
when. There is a tenancy agreement between GRP and the Minister for Housing which is dated  
23rd day of June 2011. That is effectively vesting on 23rd June 2011 these estates in the Minister  
2410 for Housing. So it is vested in the Minister for Housing. Then there is the surrender of that  
tenancy from the Minister for Housing back to GRP, and that is done on 23rd day of March 2016.  
That is the surrender. So it was vested at the election in the Minister for Housing, and it was  
surrendered back from the Minister for Housing to GRP in March of 2016. Those are the two

2415 documents which I relied upon in order to make the assertion that actually, as at the election in 2011, these estates were vested in the Minister for Housing.

**Hon. Chief Minister:** Well, Mr Speaker, a lot happened in between those two periods and we will see and deal with those issues.

2420 The hon. Gentleman says that I am somehow being inconsistent. Mr Speaker, I am grateful that he has in effect opened a window into his head for us, because he has spent most of the past five years arguing that Gibraltar is or is almost bankrupt. If he wants me to show him where he has done it, or people who are affiliated to him have done it, I will happily do so because, despite that, the confidence that we have been able to see created in respect of the economy of Gibraltar and its public finances has now resulted in this fantastic financing arrangement.

2425 Mr Speaker, we will be able to look at all of the documentation that they want to look at which relates to this transaction. We will be able to explain the complexity to them. We will be able to deal with the commercial sensitivity. All of that, Mr Speaker, as a better alternative to what we are doing now, which is just having a row. What is the point, Mr Speaker, if I am offering the opportunity to sit down and deal with these things? It is simple: he wants to make politics out of this, he does not want to deal with the issues that we are proposing we should deal with together, he does not want to understand the transaction. What he wants to do is make politics of it. Maybe, Mr Speaker, after the meeting, he will come out thinking, 'Damn, I should have made less politics of that, because that is a very good transaction indeed, and if I am honest and if I am upright, I am going to persuade my executive to issue a press release saying that the Government have done the right thing.' I will not hold my breath, Mr Speaker.

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**Hon. D A Feetham:** No, don't!

2440 **Mr Speaker:** Are there any other supplementaries to the Chief Minister? If not, I am sorry to disappoint the Hon. Mr Reyes but he is not going to be able to proceed with his questions this evening.

#### ADJOURNMENT

**Mr Speaker:** May I ask the Hon. the Chief Minister to move the adjournment of the House.

2445 **Chief Minister (Hon. F R Picardo):** Yes, Mr Speaker, I move that the House do now adjourn to next Thursday at 3 p.m. in the afternoon.

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

*The House adjourned at 6.50 p.m.*