



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.04 p.m. – 4.58 p.m.

Gibraltar, Friday, 10th March 2017

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The Gibraltar Parliament

The Parliament met at 4.04 p.m.

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

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

PRAYER

Mr Speaker

CONFIRMATION OF MINUTES

Clerk: Meeting of Parliament, Friday, 10th March 2017.

Order of Proceedings: (i) Oath of Allegiance; (ii) Confirmation of Minutes – the Minutes of the last meeting of Parliament, which was held on 13th, 15th and 20th February 2017.

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

Mr Speaker signed the Minutes.

COMMUNICATIONS FROM THE CHAIR

Clerk: (iii) Communications from the Chair.

10

Estimates of Expenditure

15 **Mr Speaker:** As hon. Members are aware, it is a requirement under section 69 of the Constitution that the Estimates of Expenditure for the next financial year should be tabled in the House before 30th April. Since the House is not due to meet next month, I am proposing that the provisions of the Constitution will be deemed to have been met if the Estimates are circulated to all hon. Members before the end of April. This is what I have been doing for the last few years and so I propose that it should be the case again for this year. Is that agreed?

Members: Aye.

Statement by the Speaker

20 **Mr Speaker:** There is another matter that I wish to refer to. In last Friday's edition of the *Gibraltar Chronicle* it is reported that, when asked how he had found his first year as an MP, the Hon. Mr Clinton said, and I quote:

There is no manual that you get given, or even an induction course into Parliament. You get shown your seat and you get shown your microphone, but that's about it.

Now, while it is true that there is no induction course as such for newly elected Members, it is not the case that the only guidance and assistance that the new cohort of Members who were elected in November 2015 received was just as described by the hon. Member.

25 Hon. Members will understand that it is incumbent upon me that I should set the record straight.

At the ceremonial Opening of Parliament on 9th December 2015 I assured new Members that they would always find me, the Clerk and the staff at their disposal in order to help them in the exercise of their important duties. Most of them, if not all, in fact, took up this offer prior to the first working meeting of Parliament in January 2016. To that end the Clerk and I, and the staff, met with them and explained to them not just the procedures of parliamentary meetings but also the technical arrangements for the broadcasting of proceedings. Later, once they had received the draft Estimates of Expenditure at the end of March 2016, we held other separate meetings with them at which we explained the salient aspects of that special meeting, which is the Budget session of Parliament.

35 Since elected, the Hon. Mr Clinton in particular has had a number of meetings with the Clerk and myself at which we have given him every possible assistance which he has requested, including more recently the procedures for the introduction of Private Members' Bills and Petitions to Parliament.

40 In the absence of any clarification from the hon. Member since his remarks were published last Friday, I feel compelled to draw attention to what I consider to be unfair, implied criticism of the Clerk of Parliament, the staff and myself.

Hon. R M Clinton: Mr Speaker, for the record, as you know, I did meet with yourself and the Clerk at 10.30 this morning to try and understand what your issue was with the *Chronicle* article last Friday. It is, however, regrettable that we could not see eye to eye on it and you have made the statement you have. I stand by all I said in the *Chronicle* article and it is regrettable that you have seen fit to make the statement you have.

50 Having said that, may I ask the Speaker if he has had time to consider the contents of my letter of 24th February in relation to the application of Standing Order 45(12)?

Mr Speaker: No, you will do no such thing. We are going to proceed ... You have had an opportunity, having heard my communication from the Chair. We are going to move on to the next item, If you wish to take up any other matter with me, you can write to me about it.

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Hon. R M Clinton: Mr Speaker, with respect I did ask you in my letter to actually make reference to it in directions from the Chair, and if I gather from what you are saying is that you have chosen not to do so.

60 **Mr Speaker:** It is not that I ... You are referring to a matter which has got nothing to do with this, and therefore this is not the appropriate time at which to raise it. The matter that you are referring to is not connected with the Communication from the Chair, with the statement that I have felt compelled to make. It has got nothing to do with it.

65 **Hon. R M Clinton:** Thank you, Mr Speaker. Well, frankly, your earlier statement I think had nothing to do with the proceedings of Parliament. (*Interjections*)
I have actually written to you –

Mr Speaker: Will the hon. Member sit down.

70 It has a lot to do not just with the proceedings of Parliament but with the manner in which Members of Parliament conduct themselves – not just within Parliament but outside.

I would commend to the hon. Member that he reads through the Parliament Act, in particular references to criticism of the Speaker where that is not justified.

Now, if he wishes to continue to contest the matter I will allow him, but ultimately he knows what the rules are and ultimately what I say remains said. It is on the record and that is all there is to it.

I have given the hon. Member an opportunity. He met me this morning and he remains intransigent. So be it. I have had my say and that goes on the record because there are aspects that he needs to understand: respect for the Speaker, respect for the institution that is Parliament and the people who work here for him and for all the other Members.

Hon. R M Clinton: Mr Speaker, I thank you.

I refer back to my letter of 24th February and I would be grateful if you would give an indication whether you would give some kind of statement as regards the content of my letter – or is it that you are choosing to ignore it completely?

Mr Speaker: I may or I may not, because I have considered the *Hansard* of the meeting and before the matter reached the stage which it reached in respect of the acrimony involving Mr Llamas, I made a statement ... If you would care to go back and ... I have checked with the *Hansard* and I know that what I was saying amounted to a defence of Mr Llamas because I explained that it was not easy for Members to arrange their affairs when Parliament meets unexpectedly, and that is the position in which Mr Llamas had found himself and indeed other Members. So I had already defended his position, safeguarded his position, and I said that nothing more should be said about the question of Members being absent.

There are Members absent here this afternoon: so what? There is only one person really that needs to be here, apart from a quorum, and that is me. I have no deputy, I am always here and it would be very difficult, the way that things are in Parliament, for any of the other 17 to sit here and keep matters under reasonable control.

I will allow the hon. Member one last opportunity to speak and then we are going to move on to the next item.

Hon. R M Clinton: Thank you, Mr Speaker, but in your view, Standing Order 45(12), does it or does it not prohibit the ... If I use the words:

The conduct of ... members of Parliament ... shall not be raised ...

Full stop.

Mr Speaker: Yes, the conduct. I do not consider that what Mr Llamas did amounted to conduct. If anybody from the Government criticised him in respect of his conduct, that is not conduct. Conduct is a habitual behaviour. Conduct has to do with a way of life. An incident in which an hon. Member is absent for one meeting, possibly for very good reasons, does not amount to the conduct of a Member. Therefore, if the Chief Minister or anybody else criticised him in that respect, in my view he was not criticising his conduct, he was criticising the fact that he had not been here for a particular meeting of Parliament. That is all I am going to say.

Clerk, will you please now call the next item: Petitions.

Clerk: (iv) Petitions; (v) Announcements; (vi) Papers to be laid; (vii) Report of Committees.

**Suspension of Standing Order 7(1)
to proceed with Government Bills**

Clerk: Suspension of Standing Orders. The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with Government Bills.

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

BILLS

FIRST AND SECOND READING

**Governor's Emergency Powers Bill 2017 –
First Reading approved**

Clerk: Bills: First and Second Reading.

A Bill for an Act to make provision for the exercise of emergency powers in accordance with section 18(2)(b) of the Constitution where a public emergency arises or is likely, and for connected purposes.

The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to make provision for the exercise of emergency powers in accordance with section 18(2)(b) of the Constitution where a public emergency arises or is likely, and for connected purposes, be read a first time.

Mr Speaker: I now put the question, which is that is that for a Bill for an Act to make provision for the exercise of emergency powers in accordance with section 18(2)(b) of the Constitution where a public emergency arises or is likely, and for connected purposes, be read a first time.

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

Clerk: The Governor's Emergency Powers Act 2017.

**Governor's Emergency Powers Bill 2017 –
Second Reading approved**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the Bill for the Governor's Emergency Powers Act 2017 be now read a second time.

Mr Speaker, hon. Members will know that section 35(3) of the Constitution provides as follows:

Every bill shall be published in the Gazette, and the Parliament shall not proceed upon any bill until the expiration of six weeks after the date on which the bill was so published, unless the Chief Minister certifies by writing under his hand that consideration of the bill is too urgent to permit such a delay.

I have certified that this Bill is urgent under section 35(3) of the Constitution, Mr Speaker. I have written to you to this effect, and although I am not required by the Constitution to do so, I have also written to the Leader of the Opposition and the independent Member, Mrs Hassan Nahon, informing them of my certification of the Bill as urgent.

Mr Speaker, this Bill also engages another part of the Constitution, which requires that Parliament be alert to the manner in which it proceeds today. Section 35(2) of the 2006 Constitution, which establishes this Parliament – which is the one just above the one that allows the certification of urgency – states that:

Except with the consent of the Governor, acting in his discretion, signified by the Chief Minister, the Parliament shall not proceed upon any bill (including an amendment to any bill) that, in the opinion of the Governor, acting in his discretion, signified as aforesaid, concerns a matter for which he is responsible under section 47(1).

Mr Speaker, I have already indicated to you in writing my communication of urgency and that His Excellency the Governor, Lieutenant General Edward Davis, has given his consent, as required by section 35(2) of this Bill, to proceed through the stages in this House. I have confirmed the same to the Leader of the Opposition and Mrs Hassan Nahon, the independent Member, also.

Mr Speaker, turning now to the substance of the Bill, I must tell hon. Members that I have particular pleasure in bringing this Bill to the House because, as the House will know, the exercise by the Governor of powers in an emergency already exists. At present that power is conferred by the Emergency Powers Order 1939 as amended from time to time. In fact, that Order has been amended quite considerably. Amendments range from 1952 to 1973, and that Order in Council is of direct application in Gibraltar – in other words, a piece of UK law which has direct effect in Gibraltar. The 1939 Order has been on the statute book in the United Kingdom for a long time and its application was first specifically provided for in the 1969 Constitution. Whilst the 2006 Constitution continues to refer to the 1939 Order in Council, it also provides that in the alternative there be ‘any law enacted by the Legislature to like effect’ which would then have effect in periods of emergency. Mr Speaker, this Bill, if passed by the Parliament, will be that law, that alternative law enacted by this legislature.

In order to understand the importance of this rule and the Bill that is before the House, Mr Speaker, we should reflect that there are 11 substantive references to an emergency in the Constitution. As lawyers and constitutional scholars will know, the words ‘an emergency’ are usually used to defeat the application of fundamental rights that are protected in a constitution. One must always therefore be very careful when dealing with situations in which we would accept the application of a provision that defeats or blunts the application of the constitutional rights which form the framework of our laws. So, in these circumstances, before bringing to this Parliament a Bill, the Government would be very circumspect indeed to understand that we are not in any way creating any powers which would be potentially used to defeat fundamental constitutional rights. Those rights could be the rights of individuals in the Chapter of Fundamental Human Rights or they could equally be the rights of the home grown institutions of Gibraltar, created by or under the Constitution, which may somehow be suspended or have their powers curtailed in the relevant applicable circumstances. We on the Government side are satisfied that this Act will not curtail such individual or institutional rights in any material way for reasons that will become apparent. In other words, there is no derogation of any powers which the Government may now hold and exercise by the passing by this Parliament of the Governor’s Emergency Powers Act.

Let us also, before going any further, look at where the references in the Constitution are to the 1939 Order in Council and to emergencies generally. Principally, Mr Speaker, sections 17, 18, 45 and 78 of the Constitution contain in these references.

The original reference is in section 17(1). That is the section that provides for periods of public emergency. Section 17 (1) says this:

Nothing contained in or done under the authority of any regulation made under the Emergency Powers Order in Council 1939 or any law enacted by the Legislature ...

195 And, Mr Speaker, that means *this* legislature. It does not mean the UK Parliament; it means *this* legislature. The word 'Legislature' appears capitalised and is therefore subject to the definition of legislature in the Constitution. So:

... any law enacted by the Legislature to like effect shall be held to be inconsistent with or in contravention of section 3, section 4(2) or any provision of sections 7, 9, 10, 11 or 12, section 13(1) or (3) or section 14 to the extent that the regulation or law in question makes in relation to any period of public emergency provision, or authorises the doing during any such period of anything, to the extent strictly required by the exigencies of the situation arising or existing during that period for the purpose of dealing with that situation.

Mr Speaker, all of those sections referred to in section 17 are sections that deal with individual rights protected under the Fundamental Human Rights chapter of our Constitution.

200 Mr Speaker, section 18 sets out when an emergency is deemed to have occurred under the Constitution and I will deal with section 18 in greater detail later in my address when I am dealing with the substantive provisions of the Bill before the House.

Section 45 of our Constitution is in particular relevant when there is an election on foot in Gibraltar. In fact, Mr Speaker, it is important that we look at that section in its interplay with this Bill because that will indicate to hon. Members just how important this Bill is.

Section 45(9) of our Constitution provides that:

Upon the dissolution of the Parliament the Chief Minister and Ministers in office at the time of such dissolution shall remain in office and shall discharge their functions until new elections are held and a Chief Minister appointed in accordance with this Constitution following such elections; but such executive authority may not be exercised

– *may not be exercised*, and this is the important parenthesis, Mr Speaker –

save in the event of public emergency (including public order or safety), to commit or bind the next successor Government of Gibraltar to public funding or liability except in the ordinary course of the day to day affairs of Gibraltar.

So, in other words, Mr Speaker, once an election is called, section 45(9) of the Constitution bites, there is still a Chief Minister, there are still Ministers, but we cannot engage spending, other than immediately required, in respect of which there might be any commitment, unless there is an emergency. And those are the types of situations that we are dealing with here.

It is important to reflect, Mr Speaker, that in such an emergency being declared the Constitution is not suspended, so neither does cabinet government cease. We are not dealing with the suspension of the Constitution and the United Kingdom taking powers – something that we saw in most recent constitutional history in the Turks and Caicos Islands; neither are we seeing the Constitution remaining but cabinet government being suspended. We are seeing a situation where there is an emergency but the Constitution is still in place and cabinet government is still active, and in that context what we are going to deal with this afternoon creates powers which are complementary to the powers of cabinet government. Indeed, the reality is that the declaration of an emergency will, in effect, in such circumstances allow the Government, through the Governor, to take extraordinary measures for the purposes set out in the Bill – and indeed there are other Acts in our statute book which are relevant, which I will come to in a moment.

Section 78(5) of the Constitution sets out that:

References in this Constitution to the Emergency Powers Order in Council 1939

225 – which is the one I am referring to the House –

are references to that Order as from time to time amended and include references to any Order or other law replacing that Order in relation to Gibraltar.

It is important, Mr Speaker, that hon. Members keep that in mind.

You see, Mr Speaker, in order for this Parliament to legislate in this field, the 1939 Order in Council must cease to apply. In that regard I would draw the Parliament's attention to the Emergency Powers (Overseas Territories) Order 2017, which is Statutory Instrument 181 of this year of the United Kingdom Parliament and which comes into operation on 16th March this year – that is to say next Thursday. That Order was made on 15th February and was laid before Parliament as recently as 22nd February. It is for that reason that we have not been able to publish our own Bill, which is the localised version of that Order, that new modernised Order, until last week, although we have been doing a lot of work with UK colleagues. But of course the Order in the UK is not crystalized until laid and published.

Mr Speaker, the new Order in Council will have the effect of replacing the 1939 Order with a regime that is substantially the same in effect, albeit with some modernisation. The relevance of the 2017 Order in Council is that it will not apply to Gibraltar but only once this Bill becomes an Act and is in operation. Article 1(2)(b) of the 2017 Order in Council made in the UK a week ago provides that that Order extends to Gibraltar but only to the limited extent provided for in article 3(3) of the Order itself, and article 3(3) of the Order states this:

In relation to Gibraltar, the instruments specified in Schedule 2 that apply to Gibraltar are revoked with effect from the date that equivalent provision comes into force.

'Equivalent provision' being the reference I made earlier, Mr Speaker, that is in the Constitution – in *our* Constitution.

Mr Speaker, therefore what hon. Members will want to know is that this Bill, once it is an Act passed by this Parliament, will be that equivalent provision which will obviate the need for the application of the new Order in Council to Gibraltar. It is therefore the Government's intention that if the Bill is passed by the Parliament today the Act should receive Assent and be published before 16th March. In that way and observing that chronology, the 2017 Order in Council will not ever have applied to Gibraltar.

Hon. Members will know, Mr Speaker, that there is a convention since the 2006 Constitution that the United Kingdom does not extend the application of Orders in Council to Gibraltar, although it has the right to do so. The provisions of the new Emergency Powers Order in Council must nonetheless be provided for in order to ensure that there is constitutional completeness. In the circumstances, we are now providing that constitutional completeness via this home-grown Gibraltar Parliament Act. And indeed, Mr Speaker, in terms of constitutional theory, what this Act will do is ensure a closing of the circle in respect of emergency powers in a way that is entirely home grown.

To summarise all of that constitutional backdrop for hon. Members in non-legal and understandable plain English, Mr Speaker, I will put it like this. The Governor is an emanation of the Gibraltar Constitution. This Parliament is an emanation of the Gibraltar Constitution. And now, with this Act, with this Bill if it becomes an Act, the powers that the Governor would enjoy in an emergency will also be powers granted by an institution which is created by the Constitution. In every way, therefore, we are localising the grant of powers that would be operating in the context of a declaration of emergency by the Governor. We are granting the Governor those powers, Mr Speaker. The grant of powers created by the UK Order in Council – either the 1939 Order or the 2017 Order – would be obviated, as I said before, by the grant of powers by this legislature.

It is important that we put into context what I have just taken the House through and in what circumstances an emergency could be declared and what it would amount to.

Mr Speaker, section 18 of the Constitution provides for the interpretation of its provisions and with respect to emergency it defines them thus:

In this Chapter “a period of public emergency” means any period during which –

(a) Her Majesty is at war;

(b) the provisions of Part II of the Emergency Powers Order in Council 1939 are in operation in Gibraltar, or any emergency has been declared under any law enacted by the Legislature to like effect.

Declarations of war not being the subject of this Bill, Mr Speaker, clause 3(1) provides for there to be a public emergency when declared pursuant to the Act.

275 Such a declaration is made by the Governor issuing a proclamation to that effect, but a proclamation may only be made where the circumstances set out in clause 3(2) apply. That is to say an event or situation that threatens serious damage to human welfare in Gibraltar whether in whole or in part, an event or situation that threatens serious damage to the environment of Gibraltar whether in whole or in part, or an event or situation that threatens serious damage to the security of Gibraltar.

280 The power to make a Proclamation of Emergency is then set out in clause 4 and, unless a shorter period is specified or a proclamation is earlier revoked, the proclamation lapses after 30 days, although a new proclamation can be made pursuant to sub-clause (3).

Sub-clause (5) requires that any Proclamation of Emergency made under this section shall be published in the Gazette as soon as practicable after it is made.

285 Mr Speaker, I think it is important that hon. Members have in mind that the proclamation and the declaration of the emergency do not suspend the Constitution. What they do is they allow for things to be done which might otherwise be caught by certain sections of the Constitution, which are the sections I took the House through before.

290 A regulation-making power is provided for also, which is the basis for action to be taken following the issue of a proclamation of public emergency, and this power is provided for in clause 5.

Such powers are, however, to be exercised where specific conditions are met only, and those are the ones set out in clause 6, and require:

(a) that the provision is necessary for the purpose of preventing, controlling or mitigating an aspect or effect of the state of public emergency in respect of which the regulations are made;

(b) that the effect of the provision is proportionate to that aspect or effect of the state of public emergency; and

(c) that the need for the provision is urgent.

Hon. R M Clinton: Will the Chief Minister give way?

295

Hon. Chief Minister: It is very unusual to ask for way to be given in the context of this part of the speech. I think it is probably better if the hon. Gentleman raises an issue in the context of his opportunity to question me during the Second Reading.

300 **Hon. D A Feetham:** The reason why he is doing it is to inform his own contribution in response. That is why I have –

305 **Mr Speaker:** Why doesn't he let the Chief Minister finish? If the point that he wishes to have clarification of is not covered by the Chief Minister, then he can raise the matter and invite the Chief Minister there and then by giving way to reply. That is the proper conduct. I think it is not a very customary thing to ask anybody moving a Second Reading of a Bill to give way. It has never happened.

310 **Hon. D A Feetham:** Mr Speaker, it never happens, no. I have been on that side of the House –

Mr Speaker: It has never happened during the time that I have been in the Chair.

Hon. D A Feetham: Mr Speaker, it has happened when I have been a Government Minister. I have also been a Government Minister. Mr Speaker unfortunately often forgets that, but I have been a Government Minister and I have given way (*Interjections*) from that side of the House.

It is true, Mr Speaker, you are absolutely right, that of course it can be done the other way. And of course we will defer to Mr Speaker, but to say that it never happens – that, certainly in my own experience, is not the case.

Mr Speaker: It is very unusual for that to happen and given the memory that I have, I do recall that the hon. Member has been a Minister of the Government from 2007 to 2011. Am I correct?

Hon. D A Feetham: Yes, Mr Speaker, you are correct.

Mr Speaker: Thank you.
Chief Minister, carry on.

Hon. Chief Minister: Mr Speaker, we all remember what parties he used to belong to as well! And one often wonders why it is that the Opposition spend more time opposing the Speaker than the Government!

Anyway, Mr Speaker, I may deal with issues that the hon. Gentleman wants clarified in what is left of my address; otherwise I will be happy to deal with them in the context of my response.

Limitations are imposed on the scope of the regulations that can be made, and in particular the Act of course specifically provides that anything done by regulation by the Governor when a Proclamation of Emergency is extant does not allow for the Constitution to be amended – and this is an important point. One could argue that the clause is unnecessary, as a law created by this legislature cannot give power to amend the Constitution which created this legislature, but I think it is important it should remain in because it imputes into the Bill the clarity that the Constitution is not suspended at that point: the Constitution is active and current at that point.

Clause 8 creates offences for breaches of regulations made under clause 5.

Clause 9 provides supremacy over other enactments should there be any inconsistencies.

Clause 10 confers discretion on the Governor in exercising powers conferred under the Bill.

However, Mr Speaker, sub-clause (2) specifically provides that, so far as it is practicable to do so, the Governor shall consult the Chief Minister. Mr Speaker, the practicability here is the essential aspect. It may not be practicable to consult because of communications being impossible between the Chief Minister and the Governor in such eventualities. It may not be practicable for a host of reasons which we cannot imagine today. If it is practicable, however, then consultation must occur.

Mr Speaker, the House will know that that the Civil Contingencies Act 2007 is the flip side of the coin and confers powers which are not dissimilar to those we are dealing with here, but not powers that relate to security. That Act goes further in the establishment of structure, such as the Civil Contingencies Committee and the Civil Contingencies Co-ordinator post is created. This Act will, however, be relevant in an instance where the structures and powers set out under the civil contingency laws are sometimes potentially not operable, in a situation where a complete breakdown of our institutions could have occurred.

This Act creates an avenue for action which does not require the suspension of the Constitution or the cessation of cabinet government but enables action to be taken or start to be taken in order to re-establish the needs of civil society.

Mr Speaker, in making this Bill an Act we will in effect be bringing into the purview of this House the final piece of the jigsaw outstanding in respect of the internal architecture of the current 2006 Constitution. No power which has been granted to the Government of Gibraltar under that Constitution is in any way diminished by this Bill. We would not have brought the Bill if it did. Indeed, we are in effect becoming masters of our own destinies, even in an emergency,

365 as even in that eventuality all the actors will remain creatures of this Constitution and all the powers exercised will emanate from it and its institutions, the most important one being this Parliament itself as we create the powers within the Bill.

Mr Speaker, for all of those reasons I commend the Bill to the House and I look forward to dealing with any issues hon. Members opposite may wish to raise.

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Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

The Hon. Mr Clinton.

375

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

I am grateful to the Chief Minister for his explanation and analysis of what is a fairly comprehensive piece of legislation and is obviously being tabled on an urgent basis.

380

I am not much of an historian – as perhaps the Deputy Chief Minister is – more of an amateur historian, but if I recall correctly, in 1939, which is obviously the period when the original Order in Council was put in place, the City Council itself was suspended and the Government then appointed one individual to exercise powers in respect of civilians by himself.

385

I heard the Chief Minister say that the Constitution is not suspended and everything carries on as normal as it can be in the circumstances, and that the cabinet government will carry on. Well, my question to the Chief Minister is: what happens to this place? Does Parliament continue to meet? Is Parliament de facto suspended? Will we continue to be able to pass laws? Or is it just held in suspense? In which case, is this de facto – and this happens all the world over – a Bill for the imposition of martial law?

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It is a fairly serious matter and I do not think it is something that we can not discuss, or at least have some discussion about it. I understand the reasons for it and I understand that the Governor probably had the powers to do this in any case, and by codifying it in our own legislation we obviously avoid having it imposed upon us. But really, for me, it is just an understanding, as a parliamentarian, as to what our role would be under this Act. Will Parliament continue to sit monthly? Will we be able to pass laws? What is the role that this particular Chamber will perform? Or is it just that the Cabinet will continue to meet and try to run civilian government as best as it can?

395

As I say, I am just looking at it from the point of view of historical precedent, where in 1939 or thereabouts the City Council itself was suspended and I believe the powers were vested in a possibly Major Patron. My memory fails me, but Dr Joseph Garcia, the Deputy Chief Minister, will no doubt be able to confirm or not. That is really what I am trying to understand: what this Bill will do in terms of the wider context of this Parliament. I would be grateful if the Chief Minister in his response could address that.

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Thank you, Mr Speaker.

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Mr Speaker: Does any other hon. Member wish to speak on the general principles and merits of the Bill? No.

No, I will then call the Hon. the Chief Minister to reply.

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Hon. Chief Minister: Mr Speaker, the hon. historian, the Deputy Chief Minister, reminds me that in fact the City Council was suspended in January 1941. There was a little something going on then, which was called the Second World War. I have no doubt that the Emergency Powers Order in Council, given that it was dated 1939, may have been related to the planning that Great Britain was doing about what it would do around the world in respect of war, and in fact the first opportunity to declare an emergency in the definition set out is if there is a war. But as I told the Parliament, we were not dealing with that sort of situation, but I will deal with it in the context of my reply.

415

In 1941 I understand all powers were taken by the Governor, but 1941 was a different time and absent the issue of war there was also no Constitution in Gibraltar that granted powers to a Parliament. We were dealing with a City Council that was a municipality. Indeed as the hon. the historian reminds me, all of the personnel in Gibraltar that were not able to join the war effort were evacuated from Gibraltar. That was a context which may indeed have, theoretically, the possibility of arising again – please God it will never happen – but there is a difference between a situation where a constitution is suspended and where emergency powers are being taken.

Now, the hon. Member asked me does this Parliament continue to meet. Well, Mr Speaker, this Parliament might continue to meet, but we do not know whether it would be possible for this Parliament to continue to meet. What he needs to understand in the context of what I have said is that I have already told the House that the Constitution continues in place, and if he looks at the powers granted to the Governor in this instance they are powers that relate principally to the suspension of personal liberties. So, nowhere in the context of what is set out in the provision is the legislature or the executive in any way curtailed. In other words, sections 24 to 43 of the Constitution, which create the Parliament, and sections 44 to 53 are not where the grab occurs. The grab occurs in respect of personal liberty. In other words, protection from slavery or forced or compulsory labour, which is section 4. The right to personal liberty, the protection of the freedom of expression, the protection of the freedom of assembly and association, the protection of the freedom to establish schools, the protection of the freedom of movement and the protection of discrimination on the grounds of race, etc. Those are the clauses that actually engage, Mr Speaker. In other words, those are the ones where, looking at it in stark terms, things can be done in that situation which may in another time offend those sections but in that time may be necessary.

And so this is not a suspension of the Parliament. The Parliament, Mr Speaker, is based on personal membership of the legislature by individuals. We happen to stand in political parties. Political parties exist because we have the freedom of association. The freedom of association might be suspended, but even in our most revolutionary moments I do not think we have done anything that might warrant emergency powers being taken.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):
Not that I remember. I would know if we had! (*Laughter*)

Hon. Chief Minister: And so, Mr Speaker, in a situation where there might be war, the first parenthesis, or the second parenthesis, those emergencies, some things may have to happen which might at another time have offended those parts of the Constitution, but the Parliament is not one of the things that is stopped from meeting – but it may be that the Parliament might not meet.

We have seen the Parliament meet every month since we were elected, except when the Referendum was called, and we have seen times not of war and not of emergency where the Parliament has met twice in a particular year or three times in a particular year, which is what the Constitution provides for. So the Government might not be able to come to Parliament either because of indisposition or because, if there is an emergency on, we might all agree that we do not want to come to Parliament, we want to deal with the emergency. The important thing is that the Constitution is not suspended. That is why it is necessary to say those parts of the Constitution will not have the effect that they have in peace time because the Constitution continues in place, the powers of the legislature under the Constitution continue to have effect and the powers of the executive government under the Constitution continue to have effect.

And so, Mr Speaker, you could not be further from a declaration of martial law, which is what the hon. Gentleman has suggested to me this might be doing. This is not martial law. I think the hon. Gentleman needs to understand what martial law is. You could not have martial law and the Constitution alongside each other; you would have to suspend the Constitution, because it would be a very strange martial law indeed that allowed us to come here and say what we liked

about the martials, assuming that we were not the ones declaring martial law, which of course we could not be because we do not have an army. The only people who have an army and who have the constitutional responsibility in respect of the raising of an army and security are the United Kingdom, and the powers that have been given to the Governor by this legislature could not be powers to empower the Governor in respect of the army. And so, Mr Speaker, nothing could be further from what this Bill will do if it becomes an Act than the declaration of martial law.

The hon. Gentleman should rest assured that, although we may not see eye to eye on many things, if I was asked to move a Bill to allow for martial law I would say so in the context of my address. I would not pretend to hide such a thing, because as a civil libertarian I would want people to be aware that I had been asked to bring a Bill to the Parliament and, I assume, asked also to convince my ten colleagues to raise their arms at the right moment in order to support it – and that would be something I would not agree with. No.

Mr Speaker, the provisions of this Bill do not do that. They would not be enjoying the support of the Government if they did do that. But the hon. Gentleman might wish to know that of course it is open to a British government to declare martial law in Gibraltar or in any other territory, or indeed in the United Kingdom. I think that that has been shown historically to be anathema to the British system of democracy and that is why it is one of the many strands of the affinity that the people of Gibraltar have with British democracy, the most mature and established democracy in the history of the planet.

But it could happen, and in Gibraltar it would take effect by the simple suspension of the Constitution – and the United Kingdom has not been shy to suspend constitutions. It suspended the constitution of the Turks and Caicos Islands because of financial irregularity, and so therefore that is not something that would be dealt with in the context of emergency powers such as this.

Now, what sort of instances would we be dealing with? Well, they are very difficult to imagine, Mr Speaker, but they would really be instances related principally to natural disasters. They might be instances related to other types of eventualities that make transport, communications and all the rest of it almost impossible. Although cabinet government is not suspended, it might be impossible for cabinet government to operate in the way that it tends to do with Cabinet meetings every week etc., although one is almost tempted to say that we have had the suspension of cabinet government before by Chief Ministers who have not met with the Cabinet as often as one might have expected them to – but that is for a separate discussion.

In this instance, Mr Speaker, in my view, because of the quasi parallel civil contingencies provisions, what we are really dealing with is that although Government and executive authority is not suspended, although the Constitution is not suspended, it is not possible to do things in Gibraltar in order to re-establish Gibraltar, and things have to be done for Gibraltar but they are done through the offices created in the Gibraltar Constitution, which is how we would all like to see it happen, and the proclamation and the period of proclamation is as short as is possible. Therefore the 30 days or shorter period and the extension only by a further 30 days which is provided for so that the operation of cabinet government is re-established as quickly as possible and the executive authority is re-established as quickly as possible.

So I would say to the hon. Member opposite that in effect what you are seeing in this Bill is the groundwork for the opposite of martial law – in other words, the groundwork for the ability to once again govern ourselves after an emergency as soon as possible.

Mr Speaker, for all of those reasons I think this is a Bill that the House should approve, and in particular I would draw to the attention of the hon. Gentleman the dates I gave him. The English Order in Council will apply in all the Overseas Territories as from 16th March. I think it is in the interest of all Members of this House that we demonstrate that once the trigger of the repeal of the 1939 Order has been pressed by the United Kingdom we move as quickly as possible to ensure that we act in this Parliament to prevent a new Order in Council taking effect on

16th March here by making this Bill an Act seeking assent before 16th March and publication and promulgation before then.

For all of those reasons, Mr Speaker, hoping I have dealt with the hon. Gentleman's query as fully as I could on my feet, I commend the Bill to the House.

Mr Speaker: Could I suggest to the Chief Minister that he might check as to what exactly happened during the Second World War. The civilians that remained behind surely were not subject to military law in respect of any offences which they may have committed of a civil nature – traffic offences and so on. They were not subject to military law. Weren't the courts still in Gibraltar? Was there no Chief Justice in Gibraltar during the Second World War? I think this is a matter that can be easily looked into, surely.

Hon. Chief Minister: I am sure, Mr Speake. I am sure, and in fact Mr Speaker is confirming in the way that he postulates those questions that this sort of Order – the 1939 Order is the first emanation; this is the modern version, which is going to become this Act – does not have the effect of suspending a constitution, although then there was not a Constitution to suspend.

Mr Speaker: But the courts were there.

Hon. Chief Minister: Of course. There were the courts, there were institutions, etc. and those that continue to function would continue to function, and the effect of the Order in Council was not to suspend them – and in fact I am just being reminded by the Hon. Deputy Chief Minister that Sir Joshua at that time was actively involved in representation before tribunals that continued in effect, etc.

Mr Speaker: I now put the question, which is that a Bill for an Act to make provision for the exercise of emergency powers in accordance with section 18(2)(b) of the Constitution where a public emergency arises or is likely, and for connected purposes, be read a second time.

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

Clerk: The Governor's Emergency Powers Act 2017.

**Governor's Emergency Powers Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree – and, Mr Speaker, no other Bill will be dealt with today, only this one.

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of this Bill be taken today? (**Members:** Aye.)

COMMITTEE STAGE

Governor's Emergency Powers Bill 2017 –

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bill clause by clause: the Governor's Emergency Powers Act 2017.

In Committee of the whole Parliament

560

**Governor's Emergency Powers Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to make provisions for the exercise of emergency powers in accordance with section 18(2)(b) of the Constitution where a public emergency arises or is likely, and for connected purposes.

Clauses 1 to 10.

Mr Chairman: Stand part of the Bill.

570

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Governor's Emergency Powers Bill 2017 –
Third Reading approved: Bill passed**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Governor's Emergency Powers Act 2017 has been considered in Committee and agreed to without amendments and I now move that it be read a third time and passed.

575

Mr Speaker: I now put the question, which is that the Governor's Emergency Powers Act 2017 be read a third time and passed.

580

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

ADJOURNMENT

Chief Minister (Hon. F R Picardo): Mr Speaker, late on a Friday afternoon, on the cusp of a long week – and having read this morning, by the way, in *The Times*, I cannot resist telling the House that today was the day that Crufts commenced in London – I have the honour to move that the House do now adjourn until Friday, 17th March at 2.30 p.m.

585

Mr Speaker: I now propose the question that the House do now adjourn to Friday, 17th March at 2.30 in the afternoon.

I now put the question, which is that the House do now adjourn to next Friday, 17th March at 2.30 in the afternoon.

590 Those in favour? (**Members:** Aye.) Those against. The House will now adjourn to next Friday at 2.30 in the afternoon.

The House adjourned at 4.58 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 2.33 a.m. – 3.35 p.m.

Gibraltar, Friday, 17th March 2017

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<i>The House adjourned at 3.35 p.m.</i>	<i>21</i>

The Gibraltar Parliament

The Parliament met at 2.33 p.m.

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

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

PAPERS TO BE LAID

Clerk: Meeting of Parliament, Friday, 17th March 2017.

(vi) Papers to be laid – the Hon. the Minister for Culture, the Media, Youth and Sport.

- 5 **Minister for Culture, the Media, Youth and Sport (Hon. S E Linares):** Mr Speaker, I have the honour to lay on the table the Report and Audited Accounts for the Gibraltar Broadcasting Corporation for the year ended 31st March 2009, 2010, 2011 and 2012.

Mr Speaker: Ordered to lie.

Questions for Oral Answer

CULTURE, THE MEDIA, YOUTH AND SPORT

Q225/2017

**Gibraltar Music Festival 2016 –
Payments to stallholders**

- 10 **Clerk:** (vii) Reports of Committees; (viii) Answers to Oral Questions.
We commence with Question 225. The Hon. R M Clinton.

Hon. R M Clinton: Thank you.

- 15 Mr Speaker, can the Government advise if all stallholders have been paid in respect of the 2016 Gibraltar Music Festival, and who is actually responsible for such payments?

Clerk: Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

- 20 **Minister for Culture, the Media, Youth and Sport (Hon. S E Linares):** Mr Speaker, some stallholders have not yet been paid because the stallholders need to produce an invoice certified by the event organiser at the Ministry in order for payments to be issued. Some stallholders have not yet produced the invoices certified by the event organisers. Until an invoice is produced, payments will not be issued.

- 25 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Hon. Minister for his reply.

I must confess I am surprised that there are still some payments outstanding. Can he perhaps clarify what he means by an invoice certified by the event organiser? My understanding was there was a prepaid system and that somehow this would be tallied electronically, and that the money, I presumed, would have been just handed over to the stallholders by the event
30 organiser, but obviously this is going through Government.

Could the Minister explain what the procedure is and what exactly is this invoice he refers to? Because there are... As he has said, there are some people who have not yet had payment, one of whom did make representations to me, and it maybe a case of just providing some information to the public as to what it is they need to do to expedite the matter.

35 Thank you.

Hon. S E Linares: Well, first and foremost, Mr Speaker, whichever stallholder has been there for more than a year definitely knows the system, and therefore whichever stallholder might have been a new one from this year and could explain why they do not understand the system.

40 The system is very simple. If you have a stall in the GMF and you sell wares, they will then charge and produce the invoice of how much they have sold, which is then tallied with the amount that comes in. But until they present an invoice, until they present how much of their wares have been sold through either the electronic system or whatever, the Ministry will not pay them. But it is not only the stallholder that has to certify that, it has to be the events
45 organiser who are in touch with the people who do the bands and run the system. It is them who have to certify because any stallholder could say they sold x or y, and it has to be certified.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer.

50 May I suggest, just as a matter of expediency, that he contact the event organisers – obviously it is changing this year – to contact all stallholders to perhaps put this matter to rest so that the books can be cleared in respect of anything that is owing to them.

Hon. S E Linares: Yes, Mr Speaker, it would be better if the stallholder who has made representation to the hon. Member contacts the Ministry and we can explain everything that
55 needs to be done.

Q226/2017

Culture and heritage budget – Breakdown of expenditure

Clerk: Question 226, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government provide a detailed breakdown of the £4,564,379,42 departmental expenditure under head 40, Culture and Heritage, for the position
60 as at 30th September 2016 and explain why this Department has in six months already spent 70% of its annual budget of £6,498,000?

Clerk: Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

65 **Minister for Culture, the Media, Youth and Sport (Hon. S E Linares):** Mr Speaker, the figure of £4,564,379.42 accords precisely with the half-year information provided to the Opposition. The hon. Member must understand that departmental spending is not necessarily linear, especially in a Ministry such as Culture. Therefore, there is nothing exceptional to the figure given when compared to that of the overall estimate for the full year.

Hon. R M Clinton: Mr Speaker, I thank the Hon. Minister for his answer. He seems to have answered the second half of my question and not the first half of my question. Is the Minister able to provide me a detailed breakdown of the figure I quoted of £4.5 million?

75 **Hon. Chief Minister (Hon. F R Picardo):** Mr Speaker, this is a matter which has been ventilated on a number of occasions in this House.

The hon. Gentleman is talking about the six month figure which was provided to us when we were in Opposition and which we have, of course, therefore agreed to also provide to hon. Members opposite to enable them to have a heads-up of how things are going towards
80 31st March.

Mr Speaker, no breakdown will be provided of that. There is an annual Budget debate that deals with the figure, which is the figure which is set out in the Estimates Book. By the time we get to 31st March we will have a forecast outturn for the current financial year, which will then be the subject of the debate that we have traditionally in June or July, and that is when they get
85 the opportunity to get breakdowns and when they get the opportunity to ask detailed questions on the subject. What we cannot do is allow every Question Time in this House to turn into a mini Budget debate, because if we do that the House is going to come to a standstill.

Hon. R M Clinton: Mr Speaker, I thank the Chief Minister for his intervention.
90 Can I perhaps then ask the Minister: is he confident that the annual budget of £6.4 million is sufficient for the requirements for the year?

Hon. S E Linares: Yes, Mr Speaker.

Q227/2017

Sports and Leisure Authority – Assistant Resources Manager vacancy

Clerk: Question 227, the Hon. E J Reyes.
95

Hon. E J Reyes: Mr Speaker, sir, following on from answers provided to Questions 1/2017 and 96/2017, can the Minister for Sport update this House in respect of the Assistant Resources Manager – that is a grade 4 post – vacancy within the Gibraltar Sports and Leisure Authority?

100 **Clerk:** Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): Mr Speaker, the interviews that were scheduled have had to be postponed as one of the candidates has unfortunately undergone surgery and will be on certified sick leave for the foreseeable future.
105 Once this individual recovers and returns to work the interviews will be conducted.

Hon. E J Reyes: Can I ask therefore the Minister: I understand that an individual can be on certified sick leave and therefore is not fit for work, but is his condition that serious that he is actually hospitalised? It may be possible to attend an interview.
110

Hon. S E Linares: Mr Speaker, as I said, ‘unfortunately undergone surgery’, so the postponement will be whilst he is recovering from the surgery. I can also give the hon. Member the information that there are only two candidates, so therefore they are waiting for this person to get a bit better so that they can then start the interviews.
115

Hon. E J Reyes: Yes, that is helpful, Mr Speaker. At least we now know there are only two candidates, because last month the Minister said the interviews were in the process.

I know that medical conditions do make a person not apt to provide their best, so therefore we wish whichever candidate it is that has not been well a speedy recovery. From the medical certificate, as such, does he have a rough idea as to when that would happen? Would it be this side of the Budget? When it comes to Estimate time and he provides the establishment and the staffing levels that may alter and we may end up having a pending post there. I do not know what other information the Minister can shed on that.

Hon. S E Linares: Well, Mr Speaker, I do not have the information as to when the candidate will be back, but I am sure that the management of the GSLA will want to have these interviews as soon as is practically possible. Therefore, as soon as I am sure that the candidate is at least fit to come to an interview, that candidate will be called in and they will conduct the interview with that person. I could not commit myself, but I am sure if it is a surgery of the type that is not life threatening or anything like that, then I am sure that it will be done very, very soon.

Mr Speaker: Given the answer that the hon. Member has received, there is no problem in his asking a question in May as to whether it has by then been possible to hold the interviews which have been unavoidably delayed. Okay?

Hon. E J Reyes: You are correct, Mr Speaker. I was going to say that given that April is the Easter period, in May I'll just ask for an update. But it has been helpful to know that there are only two candidates, and I was going to ask, with your leave, Mr Speaker: in the meantime I suppose someone is acting for this post so that work may continue as normal as possible.

Hon. S E Linares: Yes, sir.

Q228/2017
Victoria Stadium –
FIFA/UEFA certifications

Clerk: Question 228, the Hon. E J Reyes.

Hon. E J Reyes: Can the Minister for Sport provide details of the Victoria Stadium's football pitch number 1 in respect of FIFA and/or UEFA certifications currently held, together with details of when these certifications were issued and when they are due for renewal?

Clerk: Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): Mr Speaker, the playing surface of the Victoria Stadium currently holds a FIFA Quality Pro certification. The certificate was issued on 29th June 2016 for a period of 12 months, and as such is up for renewal on 28th June 2017.

Hon. E J Reyes: After I posed this question, Mr Speaker, as Mother Nature would have it, the high winds have played a bit of havoc on that surface, so I hope that it has been tackled with and so on.

Coming directly to the answer, Mr Speaker, the Minister said that the FIFA certification was issued on 29th June 2016. I know previously from my time in the Ministry we used to get the UEFA certifications. Is there no longer a need for that because of the FIFA one? Does that

surpass it, or have we simply given up on UEFA? Perhaps the Minister can enlighten us; otherwise we end up talking in ignorance at sporting events without really knowing the true state of play.

165 **Hon. S E Linares:** Mr Speaker, as far as I understand it, the laboratory that does the testing used to do the testing for UEFA because we were members of UEFA. Now we are members of FIFA they just give you a FIFA certification. I am assuming that they are both the same and therefore it is now a FIFA-certified quality certification. So whether it is FIFA or UEFA it does not make much difference.

170 As to what the hon. Member said about the inclement weather, I can inform the House that matches were played last night and that we will also have maintenance people working as soon as ... Even though matches are being played with the wind we currently have, as soon as the wind slows down, the parts that are just behind the goals which do not affect the matches will be maintained and fixed so that everything is up to standard.

175 **Hon. E J Reyes:** Mr Speaker, one of the reasons why I posed this question is because those of us who do attend the stadium on a regular basis and so on ... One hears concern amongst team officials and so on that there seems to be a bit of doubt about UEFA's ... not FIFA, the UEFA side agreeing once again, like last year, for the pre-qualifier stages of the Champions League to be played. We had last year the games of Lincoln and Europa FC. And they were saying – and it could only be rumours, and I suppose the Minister may want to go back and look at this – that although it is a FIFA certification, UEFA was not quite straight away rubber stamping that, that it did require some sort of further inspection.

180 Given that there is no meeting next month, Mr Speaker, would it be in order simply to ask the Minister to take these next couple of months to look into it and then he can update us in May, or if anything happens in between he can always communicate to me so that if there is nothing to be feared I can certainly join him in a sportsmanlike spirit to allay any fears whatsoever?

Hon. S E Linares: Yes, Mr Speaker, I have no problem with that.

ENVIRONMENT, ENERGY, CLIMATE CHANGE AND EDUCATION

Q237/2017

**World War II tunnels –
Visitor numbers**

190 **Clerk:** Question 237, the Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide any statistics whatsoever of visitors to the World War II tunnels from December 2011 to date?

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

200 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):** Yes, Mr Speaker. For the financial year 2011-12, 24,074 visitors; for the financial year 2012-13, 21,978 visitors; for 2013/-14, 21,831 visitors; for 2014-15, 23,205 visitors; for 2015-16, 27,955 visitors; and for the current soon-to-end financial year up to and including January 2017, 26,534 visitors. Clearly we have to add February and March to the final tally.

205 **Hon. L F Llamas:** Mr Speaker, can I just ask the Minister ... I posed a question back in
December 2016, where I asked for statistics to the Upper Rock attractions during the last five
years and I was told that there were no statistics held by the Government with regard to the
attractions at the Upper Rock, and it has taken me a little bit of actually having to go and visit
the tunnels and see that there is a system in place where you purchase a ticket and you do have
an actual tally on the ticket that tells you which ticket number it is ... as to why in December we
210 were told that there were no statistics for any of the attractions. but I have actually discovered
today that there are statistics in regard to at least one of the attractions.

Hon Dr J E Cortes: No, I think, Mr Speaker, that ... and I have not got the benefit of *Hansard* in
front of me ... and we have corresponded before and conversed on this before and this was not
215 raised. I think that what was said at the December meeting was that we were not able to give
particular breakdowns that had been requested because of the way in which the tickets are
separated by cost rather than the other information that he had asked. I would need to check
exactly what the answer was, but I am very glad to say that we have been able to extract this
after a considerable amount of work. It may not be possible to do the same with the other sites.
220 Remember this is a relatively new site and it is run slightly differently to the others, but I am very
happy to look into the actual detail of this now that he has asked me that specific question. I am
sure that there is an absolutely perfect explanation. In any case he should congratulate me for
having been able to obtain information that perhaps he says I said I was not able to obtain.
(Laughter)

225 **Hon. L F Llamas:** Mr Speaker, absolutely. I did ask about visitors in December and then I did
ask for a breakdown between locals and tourists. It was on the locals and tourists that you said
you were unable to provide any statistics, but having asked the previous month on visitors ...
that is why I posed the question.

230 So would it be reasonable to say then, Mr Speaker, that the Minister undertakes to go back
to his Ministry and double check on that question that the facts are correct, given that obviously
there has been some error?

Hon. Dr J E Cortes: Mr Speaker, I will say more than that. The hon. Member keeps on asking
235 me every month different aspects of the same information. I do not really know what it is that
he wants to know – I have to surmise it out of the questions. I would be very happy if he wrote
to me or had a conversation with me telling me what does he want to get out of these answers.
These are facts. This is nothing political – nobody is hiding anything. If he tells me what he wants
out of the answers, then I will use my best endeavours to provide what he wants, but it is very
240 difficult because one month I am asked for one breakdown and the other month I am asked for
another – and I really would like to be helpful but I would like a bit more information, and
certainly I will look into everything that I can.

Q238/2017
Heritage Action Committee –
Reactivated priorities

Clerk: Question 238, the Hon. R M Clinton.

245 **Hon. R M Clinton:** Mr Speaker, can the Government advise what priorities has the
reactivated Heritage Action Committee identified following its recent meeting?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Yes, Mr Speaker. The reactivated Heritage Action Committee (HAC) will mainly deal with issues that are current at the time, such as specific works with heritage implications, and will improve communication and co-ordination between the different stakeholders.

Priorities in heritage will be set by my Ministry in consultation with the soon to be created Heritage and Antiquities Advisory Council.

Hon. R M Clinton: Mr Speaker, I am grateful to the Hon. Minister for his answer, but he seems to have given me a generic answer in terms of the interaction of the Heritage Action Committee and various other groups. What I am asking for is have they identified any specific priorities.

Hon. Dr J E Cortes: Mr Speaker, no, what I am trying to say is that the HAC (Heritage Action Committee) is an action committee. It will meet probably every month or every two months, or whenever there is an issue, a proposed development, perhaps necessary works which may have heritage implications. Therefore we will sit with all the representatives there – I think it is only five or six, so definitely quite an acute action committee – to discuss with all the stakeholders what the implications on heritage may be and what we may need to do to mitigate or to avoid the...

So I cannot tell him the priorities. The priorities will be those that arise at that moment in time. This is not what we are going to create with the new Heritage and Antiquities Act, which is the Heritage and Antiquities Advisory Council (HAAC), which, working with my Ministry, will be setting up the priorities. This is an action committee which will deal with current issues and therefore I cannot foresee what issues are going to be discussed at the HAC; it is not that kind of committee.

Hon. R M Clinton: I am grateful to the Minister for his answer.

Perhaps he can narrow down the answer to what acute areas, if any, were identified at the last and if not the first meeting, or the recent last meeting, that warranted action.

Hon. Dr J E Cortes: The last meeting was the first meeting, where we discussed how we would run the committee and the sorts of things that we would discuss. I would need to check on the minutes but I do not think we discussed any specific issue. We may have done, but I would have to check the minutes.

I think I have answered the question in the sense that it has not set any priorities. The priorities will be the issue, the development or the proposal – maybe a wall collapses in a monument: what do we do, how do we deal with it? It is that sort of thing. Priorities in heritage will be set by the Ministry and the new Advisory Council and we can look at all sorts of things that we want to do, but this is definitely, as the name describes, an action committee.

I cannot remember now – it was some weeks ago – what exactly we discussed at that committee. I can check the minutes at a later stage, but I just want to make the distinction: this is not a policy-creating committee, this is an action committee responding to the needs at that given time. I think it is something that is good to have because it brings all the stakeholders together. We can discuss what can be done, what cannot be done, what the consequences are; and sometimes, by putting all our heads together, we may solve a problem to the benefit of heritage. It is that kind of committee.

Q239/2017

**Sewage treatment plant –
Technical specification and contract**

Clerk: Question 239, the Hon. T N Hammond.

300 **Hon. T N Hammond:** Mr Speaker, further to Question 449/2015, 8/2016, 332/2016, the Minister's speech during the Appropriation Bill and Question 630/2016, can the Minister provide an update on whether the technical specification for the sewage treatment plant is now understood and when Government might be in a position to award a contract?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, the technical specifications for the new sewage treatment plan are understood, although we are still not in a position to award a contract.

Hon. T N Hammond: Mr Speaker, can the Hon. Minister explain why they are not in a position to award the contract if they now understand the technical specifications?

315 **Hon. Dr J E Cortes:** Because we are still considering how to go forward and there are a wide range of issues, not just technical, that have to be considered. We are currently considering these and in discussion before we take a decision.

Hon. T N Hammond: And is the Minister in a position to describe some of those other issues which are not technical and which are perhaps holding the project up?

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

325 **Hon. D A Feetham:** Are the issues that the Government are considering in relation to this particular project relating to the type of financing that the Government is envisaging in order to build this sewage plant?

Hon. Dr J E Cortes: Mr Speaker, I am not able to provide further information to that I have done. These are obviously discussions which have to be confidential in nature until the award is made.

335 **Hon. D A Feetham:** Mr Speaker, I can understand that the detail of any financing in relation to the project is confidential, but why is it confidential for the Hon. the Minister to say that one of the issues – if that is the case, one of the issues – concerns what type of financing the Government is considering in relation to this project?

340 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I think the hon. Gentleman has made clear he does not feel comfortable saying any more. I am surprised that he is being pressed, because clearly it is not that he is not comfortable saying more because there is a very good opportunity for the Government and therefore for the people of Gibraltar; it must be that he is uncomfortable saying more because he is trying to put the Government in a good position for the people of Gibraltar and for the Government.

I am surprised sometimes, Mr Speaker, that we get so many questions in this House urging us to complete manifesto commitments whilst at the same time we get so many statements in this

345 House inviting us not to comply with our manifesto commitments because of the way that hon. Members opposite say that they see Gibraltar's future.

So perhaps, Mr Speaker, the easiest thing might be if we just turn up here one day and are left on our desks a list that hon. Members opposite might care to produce for us of those manifesto commitments that they would like us to pursue and those that they think that we should not pursue. I assume this one might be on the list of things that they would like us to do, given their questioning on it.

Hon. D A Feetham: Mr Speaker, I know that the hon. Gentleman jumps to his feet every single time that he feels uncomfortable with a question from the Opposition, or alternatively that he has become so omnipotent in his own mind that he really does not want any questions from the Opposition side. But maybe he can answer this: has the Government made a decision as to how this project is going to be funded?

Hon. Chief Minister: Mr Speaker, if I did not want any questions from the Opposition I would not call meetings of the House every month. The hon. Gentleman knows that, outside the constitutional requirement to hold three meetings in a year where there is not an election and two in a year where there is, I have no obligation to hold a meeting of the House every month. I allow them the opportunity to ask questions by signing a notice convening the House every month. So again, Mr Speaker, the hon. Gentleman's political Tourette's gets the better of him.

I get up, Mr Speaker, because he is the Leader of the Opposition, at least for now, on that side, although I note that already there are some saying that they are eying his post – and I do not just mean the hon. Lady in the rocker chair who is in another party; I have even heard it from the newly baptised Deputy that he would not mind the job if it came his way. But as he is currently the leader of the political grouping on that side and he was asking about something which is general, I, as the political leader of the grouping on this side, have got up to reply to him. He got up as a political leader opposite before I got up, so perhaps all of the references to omnipresence and all of the other references, which I thought were the beginning of the usual slide into belligerence, might apply more to him than they do to me.

Hon. T N Hammond: Mr Speaker, I am grateful for the Chief Minister's intervention, as always.

If I can go back to the Minister, can I ask a very, very simple question? (**A Member:** As always.) As always – always very simple. The Urban Waste Treatment Plant, which I believe is what we are talking about, which in the Budget only had £1,000 allocated to it – is this subject to a tender that you are actually looking at, or are you considering the wording of a future tender? Where are we in the process?

Hon. Dr J E Cortes: Mr Speaker, I suppose that on that side it is now two people who get up in every question!

Mr Speaker, I think that the Opposition is aware that this is a tender process that has now gone through most of the process and there is now a preferred bidder, and that is where we are: it has gone through the tender process. It is obviously a very important project and we have to get it absolutely right, but it has gone through the full tender process.

Hon. T N Hammond: On that basis then, Mr Speaker, could the Hon. the Minister, just so that I know when perhaps to come back with a question and when he may be able to answer it ... Does he have any idea, any idea whatsoever, regarding the timeline for the award of the contract? Could it be a month from now, three months, six months, a year from now? Any idea whatsoever?

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Hon. Dr J E Cortes: Mr Speaker, the juncture we are at, at this point in time, it is difficult to say and I would rather not. It could happen very quickly or it could happen less quickly, so I would rather not commit myself.

Q240/2017
Western Beach –
Action to rectify sewage problem

Clerk: Question 240, the Hon. T N Hammond.

Hon. T N Hammond: Mr Speaker, bearing in mind the continued poor water quality at Western Beach and the Government's 2011 manifesto commitment to 'act immediately to ensure the sewage problem is dealt with', what activity has taken place since 2011 to rectify the situation?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, since this Government entered into office, Western Beach has become the most frequently monitored beach in Gibraltar with numerous samples taken on a weekly basis.

Furthermore, the Government has and continues to lobby the European Commission in order to find a permanent solution to the Spanish-induced problem of sewage contamination at Western Beach. Four questions have been tabled by MEPs representing the south-west of England and Gibraltar since 2011: on 30th September 2014, again on 26th March 2015, on 30th November 2015 and 12th May 2016.

As stated in my answer 329/2015, the latest position from the Commission was stated by Mr Karmenu Vella on behalf of the European Commission in a written answer on 5th May 2015, in which he confirms, and I quote:

The Commission is aware of the possible pollution situation of the bathing site at Western Beach. He stated: The origin of such pollution is the diversion of a storm drain in the municipality of La Linea de la Concepcion, discharging sewage near that beach. The Commission formally contacted the Spanish authorities, to gather further information on the situation.

This was the first time that the Commission publicly accepted that the source of pollution lies in Spain. Our action has therefore secured this important development. The Department of Heritage, Environment and Climate Change is currently preparing to send an update of the latest data to the Commission, requesting that they put further pressure on the Spanish authorities.

Hon. T N Hammond: Thank you, Minister, for that extensive answer.

Would the Minister agree with me that while we continue to pump our own raw sewage into the sea at Europa Point our case for Western Beach and the Spaniards effectively doing the same is severely weakened in anybody's eyes?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, if I may say so, with respect to the hon. Gentleman, I have not heard a question which is more against the public interest of Gibraltar put by a Member of the Opposition in this House since I have been elected to it in 2003.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):
Or I in 44 years.

Hon. Chief Minister: And Mr Bossano says in the 44 years that he has been here.

440 Mr Speaker, let us be very clear: the position in relation to Gibraltarian sewage has been the case for many years. It was the case while hon. Members opposite were in Government, it is unfortunately still the case in relation to us because of the complications that the hon. Gentleman has alluded to. But to say that dumping sewage into a Strait which sees a lot of movement of water and which does not produce pollution to either Little Bay or Rosia Bay or to

445 Sandy Bay or Catalan Bay or Eastern Beach –

Hon. J J Bossano: Or Spanish beaches.

Hon. Chief Minister: – and therefore any Spanish beach, because all of them would be further away, somehow makes our case in respect of an area which is close to where sewage is deposited by Spain and makes it impossible to use a beach, and that somehow our case is affected, is to see a Member of the Opposition rise and play into Spanish hands like I would never have thought I would see in this House. But I am seeing things in this House done by this Opposition that I never expected to see Gibraltarians do unto other Gibraltarians – because this

455 is not unto the Government, Mr Speaker, this is unto all of us in Gibraltar.

Hon. T N Hammond: Mr Speaker, I am sorry but it is utterly inexcusable that we should continue to be pumping raw sewage into Europa, whether it affects a beach or not.

460 **Mr Speaker:** It is a separate subject, isn't it, which you are perfectly entitled to ask and develop as you see fit, but you are linking one with another. You have a specific question there and you ought to try to deal with Western Beach, and we will allow you all leeway that you wish in that respect.

465 **Hon. T N Hammond:** Thank you very much.

The point is that raw sewage is raw sewage, and where that raw sewage lands is not necessarily neither here nor there. Any visitor to Europa will see what the raw sewage and the impact of it is at Europa and indeed in the environs around Europa. But I do ask, in terms of the activity with respect to Western Beach, whether the Government and whether the Minister believes we are any closer to a solution to that problem than we were in 2011.

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Hon. Chief Minister: No, Mr Speaker, the hon. Gentleman has not understood the import of his own question, and if he did – as the Hon. the Leader of the Opposition is suggesting from a sedentary position that he did – that would be even worse.

475 You see, Mr Speaker, it is absolutely true that to reason is not treason. So, if somebody gets up and reasons out an argument which it is important for a community to understand, then that is not treachery and it would be wrong for anybody to suggest that simply because somebody says something and logically explains it and it is important for a community to understand it, that that would be treachery. But to get up here and to make an argument as logically flawed as the one that the hon. Member has made is really not to reason; it is just to get up to seek a headline in a way that does Gibraltar a massive disservice and is against the public interest of Gibraltar.

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I will explain it to him again. Sewage coming out of the northern part of Gibraltar, which has been the case for generations and which was the case under the man they call the greatest Gibraltarian of all time and whilst Mr Feetham was in Government with the GSD, cannot affect beaches in Spain because it does not affect beaches in Gibraltar, which are nearer. And so therefore, Mr Speaker, if that is the case, how can there be an argument that we are somehow,

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in some way, therefore affecting our case about what happens in the north-westerly corner of Gibraltar, which is adjacent to Spain and the sewage that comes out from there and affects our beaches?

The hon. Gentleman knows that we are working to stop the pumping of raw sewage into the sea. The hon. Gentleman also knows it was our manifesto commitment. I believe it was not theirs – Mr Speaker, they did not have a manifesto. Now, in the circumstances, given that they, as a party, have said repeatedly, with the man who is their leader having been represented sitting next to the man who said it, that it was not a priority for them –

Hon. D A Feetham: It was a priority. We said it was.

Hon. Chief Minister: Well, Mr Speaker, if you look at *Hansard* you will see that the Hon. Sir Peter Caruana – I recall from memory, but memory is something which is best checked against *Hansard* ... that it was not a priority. And so, Mr Speaker, frankly, to now have this suggestion made to us flies in the face not just of their record but flies in the face of logic and puts an argument which, by their standard – forget that I have demonstrated it is illogical, but by their standard – goes against Gibraltar.

So if the hon. Gentleman gets up and says this damages our case ... Well, look, Mr Speaker, the way that things have always been done in this House – not just in this House, in politics in Gibraltar – is that if you think that there is an issue which damages the case of the Government and people of Gibraltar against Spain, you pick up the phone, you call the Minister, who at the end of the day is a parliamentary colleague, and you say, 'John, I am concerned that this damages our case.' You do not get up here, in the glare of publicity with proceedings transmitted live on radio and on television, and tell José Ignacio Landaluce, Mr Speaker, which is what the hon. Gentleman has done.

Mr Speaker: No, that is not the point. The point is this: we have just had a question about the sewage treatment plant. Is the Leader of the Opposition offended that I am making an intervention now? Does he think that I do not have a right. Because if he does think –

Hon. D A Feetham: Mr Speaker, you have asked me a question – can I answer it?

Mr Speaker: But I am entitled, given the exchanges that have taken place ... When there has just been a question on the sewage treatment plant and now there is another one on Western Beach, I am entitled to intervene, am I not? (*Interjection*) Or does the Hon. the Leader of the Opposition think that I am not? But because I have indicated –

Hon. D A Feetham: You have asked me a question – may I answer it?

Mr Speaker: – that I am going to intervene, you make a gesture indicative of your displeasure. Is that the case? Are you displeased with the fact that I am intervening?

Hon. D A Feetham: For the third time, may I answer the question?

Hon. E J Phillips: Seriously, a gesture?

Hon. D A Feetham: Mr Speaker has got the wrong end of the stick. I have to say yet again there is absolutely no offence taken by me about your intervention, Mr Speaker. (**Mr Speaker:** Right.) You are perfectly entitled to say whatever. But, Mr Speaker, of course if you ask me a question I am entitled to answer it.

Mr Speaker: Right. Now, the position is this. The Hon. Mr Hammond asked the question about the sewage treatment plant. I think – look, I have been out of Government for many years – there is a link between a sewage treatment plant and sewage going into the Straits, is there not? And therefore it would have been quite proper for you to deal with the matter then.

I think it's unfortunate – to say the least, because it has become controversial – that you have linked it with the question of Western Beach, and I have allowed it but I really do not think that they should go any further on this issue.

If the hon. Member wishes to ask a question at the next meeting of the House about the question of sewage in the Straits, I will allow him that question.

I will also allow the Leader of the Opposition now, if he wishes, to ask any supplementary, but I do not want any further exchanges on the issue because they are two separate questions and –

Hon. T N Hammond: Mr Speaker, if I may.

Mr Speaker: The sewage in the Straits has got nothing to do with the sewage at Western Beach, but it has to do with the sewage treatment plant and that is where you should have brought the matter up.

Hon. T N Hammond: Mr Speaker, if I may, the reason I made that reference – and to be honest, the accusations that the Chief Minister has made of me do not become him – is because in their own 2011 manifesto they write:

We will develop a sewage treatment plant, the absence of which has allowed La Linea to defend its own sewage landing at Western Beach by saying we also put our sewage into the sea.

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

Hon. T N Hammond: So I have deployed precisely the same argument that they have deployed in their 2011 manifesto.

Hon. D A Feetham: Game, set and match!

Hon. Chief Minister: They have not, Mr Speaker, and the hon. Gentleman should know better than to use sporting references which are going to be thrown straight back at him when I smash this ball in his court.

It is very simple. What we were saying was what La Linea had said. La Linea, Spain, have actually said in the context of the European Proceedings that that is the position. The hon. Gentleman is making the assertion for himself, and so therefore, with an ace, straight back at you.

Mr Speaker: Does the Hon. the Leader of the Opposition have a supplementary on this matter?

Hon. D A Feetham: Yes, Mr Speaker, I wanted to return to the question of the complaint that has been made to the European Commission and ask the Hon. Minister: what action is the European Commission taking in relation to the sewage at Western Beach, other than the fact that it has cited responsibility by Spain for the sewage actually being, not pumped, but via that storm drain.

What is going to happen? Because at the end of the day, what people want to know is not that the Government has made the complaint and that the Commission has accepted the

responsibility of Spain for this, but what is the Commission going to do in order to obviously have this stopped, which is a state of affairs that is completely and utterly unacceptable?

Deputy Chief Minister (Hon. Dr J J Garcia) Mr Speaker, I may be able to assist the House with this issue.

My understanding, and this is subject to confirmation, is that there may well be a subsequent answer to the answer that my hon. Friend has given, and that is that the Commission has actually said that they are initiating legal proceedings, or they were, against Spain at that time and they bundled this particular case with other cases which were affecting other parts of the ... the discharge is coming from Spain ... other parts of the Spanish coastline. So I think there is a subsequent answer and that answer points to legal action on the behalf of the Commission, but we need to confirm that.

Mr Speaker: Next question.

Q241/2017
Cemetery –
Maintenance management programme

Clerk: Question 241, the Hon. T N Hammond.

Hon. T N Hammond: Mr Speaker, further to the motion passed in this House on 24th November 2016, has the Government prepared its management programme for the maintenance of the cemetery?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, this is nearing completion.

Hon. T N Hammond: Mr Speaker, does the Minister have an approximate date for the completion?

Hon. Dr J E Cortes: On this occasion I am happy to say that it is just a couple of weeks away. I have seen the document this week and I think it will be ready very, very soon, certainly by the next time we sit in Parliament.

Hon. R M Clinton: Mr Speaker, if I may ask the Minister: if he recalls last time, or a couple of years ago, there was a tender put out for the maintenance of the cemetery – is it the intention to do that again, or is it going to be done in house?

Hon. Dr J E Cortes: We are considering the options, Mr Speaker. It very much depends on what the actual management programme is to see how we can deal with it.

Q242/2017

**New power station –
Technology re low emissions**

Clerk: Question 242, the Hon. T N Hammond.

Hon. T N Hammond: Can Government describe what technology is being used in the new power station to ensure that emissions are kept as low as is possible?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):

635 Mr Speaker, the new gas-fired power station will ensure that emissions are indeed kept as low as possible. The use of natural gas, never previously used for power generation purposes in Gibraltar, will ensure that sulphur-oxide emissions are almost zero, that both carbon-dioxide and nitrogen-oxide emissions are much reduced, and lastly that particulate matter emissions to the atmosphere become negligible.

640 Furthermore, all six generating sets, not just the dual fuel sets, will incorporate the use of selective catalytic reactors to reduce nitrogen oxide emissions even further, a practice that is uncommon elsewhere in the world when combusting natural gas for electricity generation.

Hon. T N Hammond: Mr Speaker, can the Minister then confirm that it is not the intention to use any kind of particulate remover as part of the power station, particularly when the power station – as I imagine it may occasionally have to – is running on diesel?

Hon. Dr J E Cortes: Mr Speaker, the gas does not require particulate removers because the particulate matter in gas is very, very close to zero. Nevertheless, there are various things that we are doing in order to ensure that particulate matter is virtually not emitted from the stacks.

650 There will, of course, be continuous real-time monitoring of all the different ingredients of the emissions, so this will be able to be monitored very, very easily. But we are using extremely high-performance diesel. On the rare occasions when it would use diesel, and we hope that that would be virtually never, it would be very high-quality diesel which would have pre-combustion centrifuging to remove any impurities before combustion, so the particulates are removed before the diesel is burnt. So we are removing it, but the intention is that we should use diesel very, very rarely and it is treated before. So it is very high quality and low in particulate matter and it is treated before burning.

Hon. T N Hammond: But it is not the intention to install any kind of post combustion particulate removal for when and if the power station needs to run on diesel?

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Hon. Dr J E Cortes: Mr Speaker, we are using the best available technology for these engines. As I say, there are different ways of treating particulate matter. If the hon. Member is referring to electrostatic precipitators, these are not suitable for our type of engines and therefore we will not be using those, but we will be using the best available technology and in fact we are in discussion with the local NGOs on it and they seem to be quite content with the methods that we are using.

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Q243/2017
Bouygues –
Awarding of ecosite status

Clerk: Question 243, the Hon. T N Hammond.

670 **Hon. T N Hammond:** Mr Speaker, can the Government say on what basis Bouygues is able to award itself ecosite status at the new power station and what independent verification exists for this process.

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, no sir. This should be addressed to Bouygues Energies & Services.

Q244/2017
Recent refinery flaring –
Complaint to EU

Clerk: Question 244, the Hon. T N Hammond.

680 **Hon. T N Hammond:** Has Government received a response from the EU reference its complaint about the recent refinery flaring?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, the Government has received formal notification from the European Commission that the complaint has been registered and that it is being considered.

690 **Hon. T N Hammond:** And Mr Speaker, again in order to inform me as to when it may be appropriate to ask a follow-up question, do we know when any kind of further answer may be forthcoming in that respect?

695 **Hon. Dr J E Cortes:** Mr Speaker, I have consulted the Chief Minister and Deputy Chief Minister, who are more au fait with the procedures of the European Commission, and we suspect that it would be about six months or so. We can confirm how much these things normally take, but that is our assessment at this point in time.

Q245/2017
Beaches in off season months –
Measures to keep free from dog litter

Clerk: Question 245, the Hon. Ms M D Hassan Nahon.

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Hon. Ms M D Hassan Nahon: Following various complaints from beach stakeholders, can Government confirm what measures it has in place to ensure that our beaches are being kept free from dog litter in the off season months when owners are allowed to walk their dogs?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, the RGP have an operational role in policing this, which is of course not under the
710 control of my Ministry.

In addition, the litter wardens and officers from the Environmental Research and Protection Unit patrol the beaches at different times on a daily basis.

Hon. Ms M D Hassan Nahon: Mr Speaker, I informed the Hon. Minister that I have received
715 complaints from beach stakeholders, especially in the Eastern Beach, saying that the situation is pretty dire and it is very unpleasant. So is the Minister telling me that I should refer to the RGP, or do they take ownership for the state of affairs there?

Hon. Dr J E Cortes: Mr Speaker, the hon. Lady is always free to refer to the RGP, as indeed are
720 those persons who are offended by the state in which dog owners will allow their dogs to leave the beach. As I said, they have an operational role in this and that is not under my control.

We also have the litter wardens and the environmental protection officers who patrol there at different times, but clearly they cannot be there all the time and I suspect that the problem happens when there is nobody there to keep an eye on it. We have increased the number of
725 patrols following complaints, which have also come to me, and we hope that this will improve.

Hopefully again, once the DNA process, which will come into effect very, very soon – dog owners have until the end of this month to record their dog's DNA ... hopefully, if anybody does allow their dog to foul and does not pick up, we will be able to identify these, so hopefully next winter we will have a more favourable situation.

730 I am very, very concerned about it and I do receive complaints from people, and also from responsible dog owners who are offended at the fact that those who are less responsible give them a bad name.

I will ask the team to redouble their efforts. Thank you.

735 **Hon. Ms M D Hassan Nahon:** Thank you for that answer.

If I can just suggest perhaps the situation is almost like quite innocent because dog owners leave their dogs to run wild as such in the off season months and they might not run after the dogs to check on what they have done. So perhaps would the Ministry for the Environment be interested in putting up more signs to raise awareness for owners to be more on top, literally, of
740 their dogs and go after them and make sure that they pick up after they do their business?

Hon. Dr J E Cortes: Mr Speaker, absolutely. Obviously now we will be probably looking at next winter and clearly, unfortunately, as we all know, signs in themselves do not solve the problem, which is why we have had to introduce the DNA fingerprinting, but certainly this is
745 something that we would be very happy to do.

Q246/2017

**Bayside and Westside Schools –
Security arrangements**

Clerk: Question 246, the Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Following my Question 768 of November 2016, has Government made any changes yet to security arrangements at the entrances of Bayside and Westside Schools?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, both secondary schools have enhanced security arrangements by strictly controlling access through particular entrances whilst increasing supervision on others. These improvements are particularly evident at Westside School, where access through the main vehicular and pedestrian thoroughfare is restricted and closely regulated.

If I may add to my prepared answer, Mr Speaker, we have recently ... and perhaps to illustrate it further, the reception in Westside School has been moved forward to the front of the school, the southern side of the school, rather than inside the patio. In the past you had to go into the patio and then into reception. Now reception is on the front line and that has already made a tremendous difference – and further works may be undertaken in the future.

Hon. Ms M D Hassan Nahon: Mr Speaker, I appreciate that answer and I do recognise that Westside has seen an improvement. The Bayside one though, however, I think still needs improvement and I remain very concerned given its position in terms of also the front to the airport and the fact that it is still accessible. I drive my son there every morning and in this day and age it just takes one mad man and it is rather worrying and I urge the Government to take this as a matter of priority, please.

Hon. Dr J E Cortes: Certainly, Mr Speaker, we are already more vigilant, as I have said, and as I say, it is very likely that we will be carrying out works in order to increase that further, certainly before the next academic year.

Q304/2017

**Brexit –
Impact assessments on Social Care, the port and tourism**

Clerk: We now move to Question 304. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, in the light of the Brexit referendum, has the Government carried out any impact assessments on Social Care, the port and tourism? If so, are they able to disclose the details of such assessments and the plans to counteract any potential risk in these sectors?

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

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, yes, the Government has carried out an impact assessment into the areas that the hon. Member has raised in his question. The Government are not able to disclose any such assessments, for obvious reasons.

790 **Hon. L F Llamas:** Mr Speaker, I can understand how the Deputy Chief Minister deems fit not to disclose those assessments in this House, but would it be possible to have a confidential copy at all?

795 **Hon. Dr J J Garcia:** Mr Speaker, I would be happy to brief the hon. Member – not to supply a copy, but certainly to brief him on the situation.

Q305/2017

Nuffield Pool –

Timeline re handover; free admission

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

Hon. T N Hammond: Mr Speaker, does the Government have a timeline for when the Nuffield Pool will be handed to them by the MOD and is it still their intention to make it available to the public for free?

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

810 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, the handover of the Nuffield Pool by the Ministry of Defence is dependent on the completion and commissioning of the new facility being built at Four Corners. It is anticipated that these works will be completed during the fourth quarter of 2017 with a handover therefore likely in January 2018.

Our 2015 manifesto says, and I quote:

when the Nuffield Pool is handed back to the Gibraltar Government by the MOD a pool will be open to the public at no fee as part of the facilities available to bathers in the area of Camp Bay and Little Bay.

This remains a policy of the Government.

ADJOURNMENT

815 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House should now adjourn to Wednesday, 29th March at 10.30 in the morning.

Mr Speaker: The House will now adjourn to Wednesday, the 29th of this month at 10.30 in the morning.

The House adjourned at 3.35 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.35 a.m. – 12.32 p.m.

Gibraltar, Wednesday, 29th March 2017

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The Gibraltar Parliament

The Parliament met at 10.35 a.m.

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

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

Suspension of Standing Order 7(1) to proceed with Government Statements

Clerk: Meeting of Parliament, Wednesday, 29th March 2017.

Mr Speaker: I have received notice from the Chief Minister that he intends to move now the suspension of Standing Orders in order to make two Government statements this morning. I should also inform Members that he will do the same this afternoon in order to make an additional third Statement this afternoon.

The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with a Government Statement.

Mr Speaker: I now put the question that the Standing Orders should be suspended as moved by the Hon. the Chief Minister. Those in favour? (**Members:** Aye.) Those against? Carried.

The Hon. the Chief Minister.

Westminster terrorist attack – Statement by the Chief Minister

Chief Minister (Hon. F R Picardo): Mr Speaker, the terrorist attack last week in London was a strike on the Mother of all Parliaments. It was an attack on British democracy and as such it was also an attack on this Parliament. We take our powers from an Order in Council that originates at Westminster, we are part of the Commonwealth Parliamentary Association which is based at Westminster, and of course we are British and any attack on Britain is therefore also an attack on us.

In this instance in particular, Mr Speaker, I can tell Hon. Members that, along with the Deputy Chief Minister and the Attorney General, I was in exactly the area of the attack the very day before. We had been in the Lords and in the Commons lobbying for Gibraltar, meeting friends of Gibraltar and engaging with Members of both Houses of Parliament in support of Gibraltar's cause, and on our television screens we saw many regular visitors and friends of Gibraltar affected by this attack.

Mr Speaker, it is the Westminster Parliament that represents the modern concept of the rule of law. It is that Parliament which has, for longer than any other, been the embodiment of freedom and respect, and we in this Parliament will want to stand shoulder to shoulder with our parliamentary colleagues at Westminster in the Commons and the Lords. We express our

solidarity with all MPs and all those who work in the Parliament in London. In particular, we express our condolences to all those who lost loved ones in this attack. Four innocent dead in the heart of Whitehall is an atrocious tally of evil that all in this House will want to roundly condemn.

Specific mention must be made of the loss of life of police officer PC Keith Palmer. On days like last Wednesday we are reminded that we are indebted to all police officers for the dangerous and often thankless work that they do to keep us safe. The death of a police officer in these circumstances serves only to emphasise the risks that they take every day.

It is also worth noting the heroic efforts to revive PC Palmer of former Gibraltar ADC Tobias Ellwood, now a Minister in the Foreign Office, and he has now been elevated to the Privy Council.

Mr Speaker: Does any other hon. Member wish to speak?

The Hon. the Leader of the Opposition.

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

The Hon. the Chief Minister speaks on behalf of the Opposition in what he has said to this House in his Statement a few moments ago.

All that I would do on behalf of Her Majesty's Opposition is to offer our condolences to the families of the victims and also all those who were injured, in particular the four individuals who unfortunately and tragically lost their lives in this terrorist attack: Aysha Frade a mother of two; Kurt Cochran, a US tourist; Leslie Rhodes from South London; and of course, as the Hon. the Chief Minister has pointed out, Police Constable Keith Palmer. All of them left their homes and their families that morning expecting to return to their homes and their families later on that day and unfortunately did not do so, and on behalf of her Majesty's Opposition I wish to extend my condolences to the families of the victims.

Mr Speaker: The Hon. Ms Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, every year on 5th November the United Kingdom comes together to essentially celebrate a failed terrorist attempt to destroy the House of Lords. This atrocity that was not has become a part of folklore, but it draws attention to the fact that even over 400 years ago the heart of British democracy was already a target for those who wanted to subvert the values that the building represents.

Last week the edifice came under attack again and while the methods may be different, the times more modern and the building itself changed, the intentions were still the same: to threaten our freedoms and our political structures and to inspire fear into the hearts of the world's citizens. And while Guy Fawkes and his co-conspirators were defeated, so was this latest perpetrator, showing that these values are as robust and as deep rooted as the buildings that protect them.

In this case, unfortunately, there were some fatalities and we, as a House that also protects the democracy it represents, must pay tribute to their memory. These victims themselves characterise the kind of modern pluralism that extremist actions fail to undermine. A female British teacher of Spanish origin, a male American tourist, an elderly English man – who, incredibly, used to wash the windows of that very bastion of democracy himself, Winston Churchill – and, of course, an unarmed police officer who was tragically killed while discharging his duties. As unnecessary and cruel as these deaths are, Mr Speaker, they are nonetheless a reminder to us all of the value and dignity of a life bereft of hatred, violence and evil. I express my deepest and sincerest condolences to the families of these individuals with the assurance that their memories will never fade in our appreciation of the freedoms we enjoy.

But this is a time of heroes, Mr Speaker: of heroes like PC Keith Palmer, guarding the front line of these freedoms; of heroes like MP Tobias Ellwood, selflessly helping wounded, despite the uncertainty of the event's immediate aftermath; of heroes like all those policemen who

stand outside high-profile targets and promise us that our lives will not be disrupted; and of
85 heroes like the security and emergency services that protect our communities and keep us safe.
And while the pain we all feel will eventually fade, history will remember these heroes and the
sacrifices they have made in the name of everything we hold dear.

But there is perhaps no bigger hero than the City of London itself. This glorious metropolis
has weathered many storms, but wounded and cornered it has refused to be beaten. It has risen
90 from the ashes of the Blitz, it has risen from the rubble of Bishopsgate, it has risen from the
mangled steel of the July bombings, and every time it has risen it has defied hatred as a diverse
and cosmopolitan city of dreams that will not bow to violence but instead will stand up for the
democratic values that we represent.

The very morning after the attack Parliament convened in that same building, showing that
95 the wheels of democracy were far from having been derailed. People took to the streets to
reclaim their own freedoms and show that the City's heart was still beating, that democracy
cannot and will not be defeated and that we will not give in to the fear of hatred. London and its
people should be commended for this response, for sending a clear unified message to those
that aim to divide.

But this response, Mr Speaker, must be a responsible one. The world cannot afford for these
100 actions to create tensions between its people. This event and the person behind it must be
rightly condemned, but we must not blame race or religion or immigration, or revile an entire
culture because of the actions of one. Violence and hate cannot be allowed to divide people and
to make us cast doubts and suspicions over others. To do so would be to threaten the values
105 that many have died protecting, and the unity of our condemnation must be matched by the
unity in our humanity. These were the actions of one deranged and evil individual, a man
resentful of our freedoms, representing nothing but a violent anger that has no place in any
spirituality, and it is precisely by being united and by remaining loyal to our common humanity
that this futile menace will be defeated.

This has been an awful episode in human history, Mr Speaker, but I am confident that these
110 stories of heroism and this stoic refusal to give in to fear will once again show us for the
remarkably lucid and compassionate species we are.

Thank you.

115 **Mr Speaker:** Does any other hon. Member wish to associate themselves with these
sentiments? I will now ask the House to –

Hon. Chief Minister: Mr Speaker.

120 **Mr Speaker:** Chief Minister.

Hon. Chief Minister: Mr Speaker, I will now call on the House to observe a minute's silence in
honour of the City of London and the Members of Parliament at Westminster.

A minute's silence was observed.

Tribute to Maurice Xiberras

125 **Chief Minister (Hon. F R Picardo):** Mr Speaker, all Members of the House will have been
saddened to hear of the death of Mr Maurice Xiberras.

Mr Xiberras sat on benches on both sides of this House. As a leading light in the integrationist
movement of the late 1960s, Maurice became a Member of the House of Assembly as a
Government Minister, with Sir Bob Peliza as Chief Minister from 1969 to 1972 and with Peter

Isola as a fellow Minister. Those were challenging times, Mr Speaker. The Frontier was closed and logistical arrangements akin to a Berlin Airlift had to be put in place.

After the election of 1972, Mr Xiberras remained in this House as a Member of Opposition, with Sir Joshua re-elected as Chief Minister. In that year, of course, Mr Speaker, both you and Mr Bossano were elected with Mr Xiberras as Members of this House. Interestingly, Mr Speaker, I note that today in this House there are two people who sat with Mr Xiberras in this place and two people who stood with Mr Xiberras in elections to this place. You and Mr Bossano sat here with him between 1972 and 1979, and Mr Bossano and Mr Feetham stood with him in 1972 and 2003 respectively. I do note that in the gallery we see a former Member of this House, Mr Caruana, who also sat here with Mr Xiberras.

Mr Speaker, the 10 years in which Maurice was a Member of this House were, as ever for Gibraltar, challenging and difficult. The closure of the Frontier by the Dictator General Franco was perhaps the most difficult moment, but no less difficult was the return of democracy to Spain and the UK's attempts to engage us in sovereignty discussions with Spain as a result. For much of that time Maurice was in the heart of the action as a Member of this House and as a Minister or Opposition Member or Leader of the Opposition.

A very full biography of Mr Xiberras cannot be given today, but it is worth noting that he was a Member of this House for a decade and that he was known for his eloquence whilst here. I will always remember a phrase he coined in the 2003 General Election, the first one I and the Leader of the Opposition were candidates in. Maurice's turn of phrase then was to say that the election was not about grooming horses. I could see how he had managed to encapsulate contesting theories about what that election could be about in just one phrase. He will have been pleased that neither of the two colts in that election have done badly.

I considered Maurice to be a friend, Mr Speaker, who could argue a totally contrary political position but who was nonetheless happy to have dinner and share anecdotes and tales of political battles past in a convivial and jovial spirit.

Last week, on hearing of his unexpected death, I spoke to his son David to express the condolences of the Government and of the people of Gibraltar. Today, I record the thanks of this House for Maurice's work in it and his contribution to it.

Mr Speaker, the angry young man is with us no more, but his powerful words in debate, his anger at injustice, his passion for Gibraltar and his contribution to this House will live forever in the record of proceedings of this place. *(Banging on desks)*

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

Hon. D A Feetham: Mr Speaker, much has been said about Maurice Xiberras the politician, and he was indeed one of the great political figures of his time: a founder member of the IWBP; a member of the Constitutional Conference that negotiated for Gibraltar the 1969 Constitution with its linchpin in the preamble to the Constitution; he was de facto Deputy Chief Minister in the IWBP Government of the early 1970s and then Leader of the Opposition with the IWBP and then the Democratic Party for British Gibraltar.

There is absolutely no doubt that he was, together with Sir Joshua Hassan, Sir Bob Peliza and the Hon. Member opposite, the Father of the House, one of four political figures that dominated politics in the 1970s. To this day his result at the 1976 election, where he stood as an independent following the collapse of the IWBP, coming second in the overall results, continues to be the best result by an independent. Indeed, no independent since has in fact succeeded in being elected to this House.

It was a great shame, it has to be said, that despite the fact that he was honoured by this Parliament with the Gibraltar Medallion of Honour, he was not alas honoured by Her Majesty. I do not understand the reason why, Mr Speaker. Perhaps it was that he left Gibraltar for the United Kingdom in 1979, at a time when I am told the DPBG were ahead in the polls, in order to follow his wife and his two young children.

Anyone who has served in politics at the level that Maurice served will understand the unique pressures that politics places on family life. His wife Shirley was raised in Jamaica, unused to living in a small place like Gibraltar and relying on a very small parliamentary salary, and with those unique pressures the strain must have been extremely difficult indeed. When Shirley left
185 Gibraltar he followed, but unfortunately their relationship did not endure and they separated after a few years.

I know that having left Gibraltar in these circumstances left very deep emotional scars, and years later he would tell me that for many years he felt as if he had turned his back on his country. It was one of the reasons why he stood with me in the 2003 election. He wanted, win or
190 lose, to exercise that ghost that had haunted him for many years and he did so by standing again, even though he knew he had little prospect of getting elected. I am glad he did, Mr Speaker, because he became like a father to me, like a mentor, and he followed ... and I indeed followed him – we travelled together in my own political journey since 2003.

He was a man of enormous understanding, honesty, integrity and humility. He was described
195 in the 1970s by his political opponents as ‘an angry young man’. I never knew him as a young man, but I never saw him lose his temper. He was firm when he had to, he would get on his high horse when he felt a matter of principle was at stake and would never compromise on what he felt was fundamental, but I never saw him lose his temper.

If I was to pick a gripe with him it was that his powerful intellect often led him into writing
200 opinion pieces which I described to him, and he agreed, as being the length of a mini thesis. He just had to cover every single point he felt was important, from every conceivable angle. Even after he left frontline politics he would often send me his opinion pieces for a second opinion, always with the title in the email ‘Please slash away’.

It is, of course, his unwavering commitment to retaining British sovereignty over Gibraltar
205 that he is best remembered, a commitment that earned him the nickname at the Foreign Office of the ‘Abominable No Man’. He was deeply suspicious of the Foreign Office but also, it has to be said, of any nationalist tendencies in Gibraltar. He was of course deeply committed to the concept of maintaining our current levels of autonomy whilst strengthening our links with the United Kingdom in the form, in his latter years, of devolved integration – something that he and
210 I both believed might become increasingly relevant in this new chapter that Gibraltar travels in post Brexit.

A few years ago, Mr Speaker, his beloved Mary Ann passed away, unfortunately because of cancer. She had been his partner for many, many years and I knew that he was deeply affected by her loss. I know that he is now in a better place. Maurice, my friend, my mentor, until we
215 meet again may you rest in peace. (*Banging on desks*)

Mr Speaker: Does anyone from the Government ...? The Hon. Mr Bossano.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):
220 Mr Speaker, I had little contact with Maurice after he left Gibraltar, and therefore what the Hon. the Leader of the Opposition has told us about his subsequent life is something that I think many of us are not familiar with to the level of knowledge that he has told us today.

But of course, I came into politics because of the position that was created in 1964 when the United Nations Committee of 24 for the first time was addressed by Sir Joshua and Peter Isola
225 and came out with a decision which stands today as it stood in 1964 and is the basis of the annual battle we have to fight in the United Nations. And it was because at the time the position that was being taken was that Gibraltar wanted close association – something that did not exist in the terminology of the UN; there were only three options there – there was an option of integration which we were not familiar with but which in fact was brought to the light of day by
230 a journalist who was also working in GBC, Hector Licudi, who was the first one to raise the issue of that option as an alternative. We set up a group to investigate the possibility. We got in touch with the Maltese, to whom it had been in fact offered and Mintofo eventually rejected it, and

from that initial investigation we created the pro-integration movement which was the precursor to the IWBP. The pro-integration movement was the first contact I had with Maurice, other than the fact that we shared years together in the grammar school, and in that first contact it was when we first started gathering some momentum for the concept. Indeed, it was no more than an NGO. Within the AACR we had supporters of integration and there was a debate, which was not a partisan debate – we were looking at the merits of the alternatives that were before us in a situation where what was available under the UN Charter, which was not so-called close association but free association, had a serious weakness from our perspective at the time, which was the fact that the relationship could be ended unilaterally by the UK. Therefore, a free association in decolonisation mode would have allowed the United Kingdom – given the atmosphere that there was then, and continued with even greater force after the death of Franco, that a deal had to be ... The UK resisted. The United Nations called for talks with Spain until Franco died, and that is at the time that I was in Opposition and Maurice was in Opposition and it was at that time that the talks started with Marcelino Oreja in Strasburg. Those talks were the talks that were being held under pressure from the United Kingdom in order to comply with the UN recommendation – because it was not a binding thing – that the process that decolonisation should de facto be one in which Spain would be involved, and as far as Spain was concerned their involvement was only to agree the terms of the recovery of Gibraltar.

In that context the position that Gibraltar found itself in following the referendum was a position that was extremely difficult, because the restrictions were getting worse by the day and it was a baptism of fire for somebody like Maurice and Joe and other people who came in for the first time into Government, straight into Government without having been in opposition before and having had the opportunity to learn the ropes of the game, and having faced a situation where overnight our workforce was disappearing. The one thing that people fear, which I think we are all confident is not going to happen, is a repeat of that situation. If today the workforce that we have in Spain could not come in, the effect on our economy would be even greater than it was in 1968, because at that time many of those workers were here to keep the military base going, but today it is not the military base that is going but the private sector, which is what brings in all the money that we authorise as should be spent in this House through the taxation of that wealth, and we need to understand just how important it is that we keep the private sector going. But in those days when Maurice came in, the importance was that the military base, which was 70% of our economy, and the public services were the big users of foreign labour and that foreign labour had to be sourced, and a deal was done with the Moroccan government using the offices of the British government to bring people here. And Maurice, as Minister for Labour, was faced with a situation that nobody had ever had to face in that job before. It was on the basis of that we were enabled to keep an economy that was flourishing because the level of activity on the military base was kept up. Within the confines of what could be done in four years, I think the transformation that was carried out in Gibraltar by the first IWBP Government, which came in under very difficult circumstances and not only managed to maintain the momentum of the economy but in fact did more – admittedly, some of it with UK development aid, because of the aid programme under the Sustain and Support policy that the UK put in place the moment that we had the threat of being strangled by our neighbour, but nevertheless it produced enormous results and the Government was able to rally everybody around in a situation where people were prepared to work voluntarily. I remember Bob Peliza going to work in the Alameda Gardens to give an example to the rest of doing work free of charge because of areas that were short of labour.

I think that Maurice's contribution in a technical sense, in terms of being able to deliver things with his ability, was a very important part of the success of that Government and I believe that for him it must have been very difficult to leave Gibraltar and leave his involvement in politics.

I was the one who invited him to join the integration movement before it became a political party, and there were other people in that original movement from all walks of life and it was

285 completely non-partisan. It became a political issue when there were two political parties, each one with a different philosophy. The philosophy was what was best for Gibraltar.

I think in this House and in our community it is very important that we limit our differences to legitimate things in which we believe we are advocating what is best for Gibraltar and we do not allow it to deteriorate into something that becomes then a personal issue between us and we then follow a course of action which is driven no longer by putting the interests of our country and our people first. I do not think that ever happened with Maurice. I think Maurice believed with everything that he said that he was doing what was best for Gibraltar, even though some of us might have disagreed with some of his later statements after he left Gibraltar and came back.

295 Certainly we were very close friends, we were very close colleagues and I join the statements that have been made by the Chief Minister and the Leader of the Opposition at the great loss that Gibraltar faces. Some of us are nearer that point in life than others.

Hon. D A Feetham: Perish the thought!

300 **Hon. J J Bossano:** I hope that it will be a long time before speeches have got to be made about me in this House!

Hon. Chief Minister: Hear, hear. *(Banging on desks)*

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

Hon. Ms M D Hassan Nahon: Mr Speaker, my family name's connection with the late Maurice Xiberras is one that goes back many years, even to a time before either you or the present Father of the House were involved in local politics, difficult as it may be to imagine such a time.

310 He was a contemporary of my father's and as such played an important part in helping Gibraltar take those tottering steps towards being a more functional and self-sufficient democracy. Mr Xiberras's contributions as a member of this early generation of Gibraltar's political development are significant and include his participation in the Constitutional Conference that led to our previous and historic Constitution; serving as a Minister in the IWPB Government and later as Leader of the Opposition, a role that saw him represent Gibraltar's interests in discussions with the United Kingdom and Spain, as well as accompanying my father to Strasbourg for these important meetings.

320 Mr Xiberras played these roles with full conviction to his principles and values and there was never any doubting of his commitment to what he felt was the best for Gibraltar. Of course, Mr Speaker, history naturally shows that Mr Xiberras was also a political rival of my father, but despite this, Sir Joshua always held his adversary in high regard. They disagreed on many matters of local and international concern, disagreements which have continued well beyond my father's sad passing, but as has tended to be the case in local politics, there was a healthy mutual respect in this relationship between Chief Minister and Leader of the Opposition. Indeed, Mr Xiberras wrote my father a very kind letter shortly before his move to the UK, where he expressed both his admiration and his appreciation for the way in which Sir Joshua had always treated him. And while the particular versions of history may have differed, I can confidently assert that my father and his family have always remained similarly appreciative of how Mr Xiberras served the people of Gibraltar.

325 It is unfortunate that Mr Xiberras's direct involvement in local politics was cut short with his passing, for I am convinced that he would have continued to make important contributions to our evolving democracy. It is obvious that his interest in local developments continued even to recent months and his engagement was still today helping to shape the minds of some.

335 As a member of the latest generation of a genealogy of parliamentarians that both my father and Mr Xiberras started almost 50 years ago, I would like to give thanks for his loyal service to

the nation we have all been elected to represent, and of course, would like to extend my condolences and those of my family to all of Mr Xiberras's loved ones. May he rest in peace in the knowledge that Gibraltar is a better place today because of what he did yesterday.

340 Thank you. *(Banging on desks)*

Mr Speaker: I would like to echo those sentiments myself. I am not going to deal with the politics of the situation. My relationship, my close friendship with Maurice was also based on other pillars. We spent six wonderful years teaching together in the grammar school. During that
345 time we were both also involved with the Teachers' Association campaigning for the recognition of teachers, which we did not enjoy then and which they enjoy now.

Another aspect of our close friendship was the fact that for a decade we used to go out to bat opening the innings for Grammarians. We were both very keen cricketers, something that also strengthened our friendship.

350 Politics never divided us. We could rise above that, something that I would commend to all. It is terribly important that we should all realise that there are much more important matters in life that bind us together than political differences.

I join myself, my staff as well, with the sentiments that have been expressed. It was a terrible shock. Only last January Maurice was sitting pretty well where Joe Caruana is now. It was the
355 last time we saw him in the House. *(Banging on desks)*

Hon. Chief Minister: Mr Speaker, in light of those tributes across the floor and from the Chair, I would now invite the House to observe a minute's silence as a mark of respect for the passing of Mr Maurice Xiberras, a former Member.

A minute's silence was observed.

360 **Hon. Chief Minister:** Mr Speaker, I think the best way to honour the Westminster Parliament and Maurice Xiberras's memory is to have questions, argument and debate in this House.

Questions for Oral Answer

INFRASTRUCTURE AND PLANNING

Q229/2017

**Park and ride –
Manifesto pledge**

Clerk: We now proceed to answers to Oral Questions, and we commence with Question 229. The questioner is the Hon. T N Hammond.

365 **Hon. T N Hammond:** Mr Speaker, does Government have any plans to construct park and ride car parks to the north of the runway as per the 2011 manifesto pledge and then rent all spaces in the Devil's Tower Road car park to residents?

Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.
370

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, as part of our Government's 2011 manifesto commitment to provide parking north of the runway, Her

Majesty's Government of Gibraltar announced on 16th January 2014 the use of Western Beach car park.

375 Her Majesty's Government of Gibraltar also invited tenders in 2014 for the commercial development of the old air terminal site. One of the tender requirements was that any proposals include an element of parking for cars and motorbikes for public use.

In view of the Traffic Plan and its potential options for the car park at Devil's Tower Road, no final decision has been taken on the use of this car park.

Q230/2017

**Midtown car park –
Breakdown of space ownership**

380 **Clerk:** Question 230, the Hon. T N Hammond.

Hon. T N Hammond: Mr Speaker, of the 456 parking spaces sold at the Midtown car park, can the Government say how many different owners there are and if there are any instances of multiple space ownership, provide a breakdown of the number of spaces purchased by a single owner given the number of spaces owned by each owner?

385

Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, the information requested is attached in the schedule handed to hon. Members.

390

Answer to Question 230/2017

The records held by Gibraltar Car Parks Ltd show as follows:

Owners with one parking space	259	259
Owners with two parking spaces	62	124
Owners with three parking spaces	5	15
Owners with four parking spaces	3	12
Owners with five parking spaces	2	10
Owners with six parking spaces	3	18
Owners with eight parking spaces	1	8
Owners with ten parking spaces	1	10

Hon. T N Hammond: Mr Speaker, I am not sure that the Minister will be able to answer this question but I will ask it anyway. I note on the list that there is a single owner with eight parking spaces and another single owner with 10 parking spaces. Is the Minister aware of whether that is a private individual or a company that owns those spaces?

395

Hon. P J Balban: Mr Speaker, yes, they are both companies.

Q231/2017

Black cabs –

Progress re environmentally friendly engines

Clerk: Question 231, the Hon. T N Hammond.

Hon. T N Hammond: Mr Speaker, can the Minister say what progress has been made with the
400 introduction of black cabs with environmentally friendly engines?

Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, the London Taxi
405 Company (LTC) are currently in the process of inaugurating their new facilities in Coventry, UK, where the new electric TX5 black cab will be manufactured. The left-hand-drive version will not be available until early 2018 with LTC focusing their initial builds on the right-hand-drive version, which is their core market.

We expect to be able to procure this version of the traditional London taxi. The left-hand-
410 drive Euro 6 version of the outgoing TX4 version was not manufactured by LTC due to resource deployment totally being allocated to the preparation of the new facilities and the development of the right-hand-drive new TX5.

Hon. T N Hammond: I thank the Minister for that response. I just pick up the suggestion that
415 there will be a procurement: is it Government's intention to actually procure the black cabs themselves, or will they be procured privately?

Hon. P J Balban: Mr Speaker, these black cabs were to be procured in partnership with the
420 GTA.

Hon. T N Hammond: And can the Minister describe how that partnership will take shape?
What does it mean 'in partnership with the GTA'? Is Government going to be providing funds for that?

Hon. P J Balban: Mr Speaker, we have not completed our discussions on this with the GTA, so
425 it is still ... When the black cabs are available we will then sit down to discuss the detail. The issue this has not been done before is because the black cabs, as I said in my initial reply, have been impossible to procure, not that we did not want to procure them. In fact, we are very keen on seeing black cabs within Gibraltar reflecting the Britishness of Gibraltar, but unfortunately
430 they were not available and because this has now been thrown ahead until probably late 2018, the discussion really has not been finalised in that respect.

Hon. T N Hammond: But surely, Mr Speaker, if the plan is to enter or to have a partnership
435 with the GTA, and bearing in mind this concept was introduced back in the 2011 manifesto, 2018 is not so very far away now, and it certainly was the case in 2011. There must have been some conversations already with the GTA, some agreements in principle as to how this partnership would work.

Hon. P J Balban: Mr Speaker, we work with a GTA Committee whose life is much shorter than
440 ours is within Parliament, and as committees change opinions change, so perhaps what was discussed very briefly with one committee has evolved with the re-election of other committees. It is not until we see these cars becoming available, which is what we are waiting for now, that we will then sit with the committee of the day to discuss the final details on how we proceed from here on.

445 **Hon. T N Hammond:** Mr Speaker, presumably an initial costing exercise at some point was undertaken in order to come up with this manifesto commitment. Does the Minister have any idea of how much a single black cab of this nature would cost?

Hon. P J Balban: Mr Speaker, we have no idea what the new electric cabs will cost. The initial
450 investigation was made with the TX4s and we do not know what the new electric vehicles will cost in the future.

Hon. T N Hammond: And could the Minister, if the calculation has been done for the previous version of the cabs, provide a figure approximately of what one of those cabs would
455 have cost?

Hon. P J Balban: Mr Speaker, the question the hon. Member is asking is not relevant whatsoever. The question he is asking is what we calculated the price of the vehicles were then; that is totally different to what the price of the electric vehicle will be in the future. Until we
460 have a final price for these electric vehicles it is calculations made in the past, which are totally different today.

Hon. R M Clinton: Mr Speaker, I would be grateful if the Minister could indicate whether it is the intention with this partnership with the GTA, whether to provide black cabs, to replace all
465 taxis with black cabs or just a proportion of them. We can obviously go to the internet and find out what the cost of a black cab is to purchase and we can do the maths ourselves if he can tell us how many cabs he thinks will be involved.

Hon. P J Balban: Mr Speaker, initially what we are looking at is just the 'cabs', in inverted commas, the private hire vehicles which belong to the GTA. That is the only thing that was being
470 looked at. There would be, I would say ... I cannot remember off hand, but I think there are six vehicles which are run by the GTA themselves. That was the initial part of this plan.

Q232/2017
'No idling' signs –
Update

Clerk: Question 232, the Hon. T N Hammond.

475 **Hon. T N Hammond:** Further to Question 196/2016, has the Government had an opportunity to review the recommendations made in its Environmental Action and Management Plan on 'No idling' signs; and does the Government intend to begin a programme of placement of these signs, and if so, where?

480 **Clerk:** Answer, the Hon. the Minister for Infrastructure and Planning.

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, the Government is reviewing the recommendations on 'No idling' signs as part of a holistic review of the EAMP. The intention is to ensure that recommendations relating to traffic and traffic reduction reflect and
485 complement the measures included in the Sustainable Traffic, Transport and Parking Plan, which is to be published shortly. Additionally, many vehicles now feature no-idling facilities built in.

Hon. T N Hammond: Mr Speaker, just bearing in mind originally in the Environmental Action and Management Plan the placement of 'No idling' signs actually had a timeframe associated

490 with it – I do not recall, I believe it was 2015 but I stand to be corrected on that – is the Minister now saying that actually it may be the case that a decision will be taken on review that that recommendation will be rejected and that no ‘No idling’ signs will be placed? What is the purpose of reviewing a recommendation which appeared within the plan to have already been accepted by the Government?

495 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):**

Mr Speaker, the Environmental Action and Management Plan is under constant review and it is acutely being reviewed at the moment. A lot of the commitments in the plan have been achieved; others we have to review the time frame for them.

500 I do not think that reviewing something actively should be taken as a negative and I suspect that when we get the review completed and we have new ... Remember that these timeframes are aims, they are not ... You do it in advance and you are not absolutely certain that you will be able to hit them, but certainly the intention is to complete all these requirements and it is very likely that the ‘No idling’ signs will still be a feature of the plan.

505 **Hon. T N Hammond:** I thank the Minister for his intervention. Could I just ask, because representations have been made to me, whether the Government would consider at least accelerating the process for the placement of ‘No idling’ signs particularly at the Frontier, where it is an obvious place, when there is queueing, for ‘No idling’ signs to be placed, and also in areas of the Upper Rock where often vehicles are in queues and similarly pollution can become a problem for pedestrians?

Hon. Dr J E Cortes: Mr Speaker, I do not have the plan in front of me. I think it specifically did refer to the Frontier. That is one clear area where this is an objective, and there are other areas as well.

515 I think really what we have to do is convince people that idling is bad – bad for the environment, bad for one’s health – so probably, more than just signs in specific areas, we need to encourage it in other ways as well. I think the Upper Rock is one area where possibly in some specific cases these could be used, but I think the Frontier is probably the worst offender.

Q233 and 234/2017

Speed cameras –

Aspect of vehicle captured; locations and operational times

Clerk: Question 233, the Hon. T N Hammond.

520 **Hon. T N Hammond:** Mr Speaker, can Government describe the operation of the new speed cameras, and in particular whether the image they capture is at the front, back or both aspects of the vehicle?

525 **Clerk:** Answer, the Hon. the Minister for Infrastructure and Planning.

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, I will answer this question together with Question 234.

530 **Clerk:** Question 234, the Hon. T N Hammond.

Hon. T N Hammond: Can Government say if speed cameras will be in operation at all the designated sites all of the time?

Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

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Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, Her Majesty's Government of Gibraltar is in the process of commissioning speed cameras at various locations throughout Gibraltar. These locations are Devil's Tower Road, Rosia Road and Europa Advance Road, where four distinct camera positions are available.

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This pilot project will see cameras placed in all of these locations becoming active and will be controlled operationally by the Royal Gibraltar Police.

Depending on the success of this initiative that is aimed at reducing mortality and injury from speeding-related accidents, further locations may be considered in the future.

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As with parking fines, which have recently been increased, the Government has no desire to take citizens' money for speeding or illegal parking. What we all want to achieve, and I am sure I speak for all Members of this House, is that people should not offend, and in that way save lives, make our roads safer and ensure citizens follow the law of the road. These are manifestly not measures designed to raise revenue, as success of the measures will be when the revenue decreases.

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Hon. T N Hammond: Mr Speaker, absolutely I am sure everyone in this House supports any initiative which will enhance road safety. I have not brought revenue raising into the equation, so I am not sure why the Minister is at pains to point out that it is not a revenue-raising initiative.

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I would ask him whether he could answer the question as to what aspects of the vehicles the cameras will photograph, which was the first question asked: whether it be front, back, or front and back?

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Hon. P J Balban: Mr Speaker, the reason why I mentioned the latter part in the question was because there were Twitter feeds to this effect suggesting that Government would raise revenue with the cameras. That is not the point of the cameras because, as I said in my reply, as people realise that cameras are functioning and they are being caught on cameras they will then obviously reduce their speeds and not get caught. That will reduce revenue and that will be the end of it.

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As to the direct question the hon. Member is asking, this is something which I do not think is in the interest of actually mentioning the details. This is something which the Royal Gibraltar Police is managing and it is strictly a policing thing. If the hon. Member is adamant to know more, I am happy to discuss this behind the Speaker's Chair if necessary.

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Hon. T N Hammond: Mr Speaker, I really cannot understand why it is not in the public interest simply to know whether the speed cameras will be taking images of the front, the back or from both aspects of the vehicle. I would thoroughly recommend, personally, that the speed cameras have the capability to capture images of both aspects of the vehicle. That way, all vehicles, whether they be motorbikes or cars, can be subject to the same restrictions on speed and the same rules and fined accordingly. It would seem inappropriate only to have the capability from the front, because then clearly it would be very difficult to fine mopeds for speeding, and certainly one of the more dangerous aspects of driving on our roads and the people most vulnerable perhaps are speeding moped riders. Often it is very young people who are new to the roads who tend to fall into this trap, and alas and tragically we have seen accidents over the years occurring with young people.

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So I would thoroughly recommend to the Minister that he ensures that the capability of the cameras is such that people can be discouraged from speeding on motorbikes and clearly there is some value to having a front aspect of the vehicle because it then allows the driver of the vehicle to be identified as well. Of course, a vehicle can be insured for multiple drivers so it would be very difficult to fine an individual if the vehicle is only photographed from behind, for

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the very simple reason that it would be very difficult to identify who the driver is. I would just ask the Minister for his views on that.

590 **Hon. P J Balban:** Mr Speaker, we brought to Parliament the Bill to do with speed cameras and the hon. Member I am sure will remember that, regardless of who is driving the vehicle, the onus will be on the registered owner if it cannot be proved otherwise. That was something that was discussed in Parliament and in fact I think we approved unanimously in that respect, so it is a bit odd that the hon. Member should be mentioning that.

595 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I told the Hon. Minister I would come in on the public interest point if it assists the hon. Gentleman and the House.

The cameras are complex and they deal with a number of different aspects of vehicles in different places. What we are saying to the hon. Gentleman is we are happy to have the discussion with him but we do not want to provide a guide as to how the effect of the cameras may be avoided by people. Hence why, instead of having a debate across the floor of the House, we are inviting him to have the information that he is seeking behind the Speaker's Chair. I would have thought that is reasonable. We are not saying we will not give him the information; we just do not think it makes sense to be sharing across the floor of the House that level of information.

605 The Police may take a different view as to how to deal with issues related to deterrents and they will be the ones on the front line of deciding what is said in terms of any campaign about how the cameras operate etc. We feel that we should not be the ones putting that information out there at this moment in that way and that we are quite happy to have a discussion with him. If it is any consolation, all the things he has said are the things that the Government considered at the time it was procuring the cameras, so he cannot for one moment think that we did not take all of those issues into consideration in the context of procuring, installation and now potential operation of the cameras.

Q235/2017
Government vehicle fleet –
Financial terms re leasing

Clerk: Question 235, the Hon. R M Clinton.

615 **Hon. R M Clinton:** Mr Speaker, further to Question 101/2017 can the Government advise if it has now made a decision in respect of the one expression of interest received for the leasing of its vehicle fleet; and if so, what are the financial terms agreed?

Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

620 **Minister for Infrastructure and Planning (Hon. P J Balban):** Mr Speaker, the answer remains as set out to Question 101/2017.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer. Can he give an indication to the House as to when he might expect to make a decision?

Hon. P J Balban: Mr Speaker, the moment we take a decision we will let the hon. Member know when that happens.

630 **Mr Speaker:** May I say to the hon. Member who has asked the question, it is exactly the same question as he asked at the last meeting with the addition of the word 'now'. The answer he has received is the same. I therefore will not allow him to ask another question on the leasing of the Government's vehicle fleet until six months have elapsed.

635 **Hon. R M Clinton:** Mr Speaker, I am grateful for your guidance and you have already expressed this to me. I would, however, ask for some flexibility if I may ask a question about vehicle leasing in future, in a different context.

640 **Mr Speaker:** Should there be a development in the interim period – if there is a development from the Government, if they were to announce the award of the tender – then I will allow the hon. Member to ask about the financial terms agreed, but only if that happens.

COMMERCE

Q236/2017

Post Office and associated services – Supply workers

Clerk: Question 236, the Hon. D A Feetham.

645 **Hon. D A Feetham:** Mr Speaker, how many supply workers are currently working within the Post Office and associated services and since when have those individuals been on supply?

Clerk: Answer, the Hon. the Minister for Commerce.

650 **Minister for Commerce (Hon. A J Isola):** Yes, Mr Speaker, there are 11 supply workers currently working in the Post Office, most of whom have been on supply since August 2015.

655 **Hon. D A Feetham:** Mr Speaker, does the hon. Gentleman have a breakdown of when those individuals started as supply workers? I am interested in particular in any individuals that have been on permanent supply, continuously on supply for a considerable period of time. That is really what I am focusing on and it may assist my saying so to the Hon. Minister in the question that I have asked.

660 **Hon. A J Isola:** Yes, Mr Speaker, there is nobody on permanent supply. There are some that get called more than others do, and the way that the formula works is depending on how many days you have been called over a period of time when you get to an allotment of days, that is when you are eligible to be considered for being permanent. So it is not that I have the details of how many continuous days each of the supply workers have been on supply for, because I do not have that information. What I can tell you is that their start dates are ... As I said, six from 2015, the majority from 2015; one from 2014; two from 2013; one from 2009; and one from 665 2007.

670 **Hon. D A Feetham:** Mr Speaker, the information that I have is that the mail man has been on permanent supply, in other words working continuously – and bear in mind, Mr Speaker, that when an individual is on permanent supply they do not have the benefit of holiday leave and also sick leave – but permanent supply for four years; the euro fulfilment individual has been on permanent supply for three years; parcel post continuous supply for two years; and an individual

in the registration room has also been on permanent supply for another two years. Can he confirm those figures?

675 **Hon. A J Isola:** No, Mr Speaker, I cannot confirm those figures because I do not have that data available to me. What I can tell the hon. Member is that I am meeting with the supply workers, in fact, tomorrow – the meeting was set at around about the same time that he will have received the note that I have received – and we will be discussing these things with them at our meeting.

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Hon. D A Feetham: And does the hon. Gentleman agree with me that for somebody to be four years on permanent supply is really extremely unfair on that individual and on that individual's family, bearing in mind, Mr Speaker, that when they were in Opposition and we were in Government we were constantly lambasted for there being individuals on permanent supply? Indeed, it was a manifesto commitment of theirs in 2011 and I do recall that the Hon. the Father of the House also went to the Post Office during the course of the 2011 election and told individuals there that all those who were on permanent supply would be made permanent.

690 **Hon. A J Isola:** Mr Speaker, I think one of the issues that we have is that we do not really understand what the hon. Member means by 'permanent supply'. Our understanding is that people who are on supply could be on supply for a year and get called once a week, twice a week, two days a week. To what extent that is or is not permanent supply I do not know.

From the information I see in this file, I can tell you that none of the people that he is referring to have worked every day on supply for the period. (**Hon. D A Feetham:** They have.) No, they haven't. (**Hon. D A Feetham:** They have.) Not from the information that I have. But as I said to the hon. Member, we will be meeting with the supply workers to go through the issues that he has on the paper that I have and hopefully make some progress to see how these matters can be progressed in order to ensure that the taxpayer receives value for money in their postal service.

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Hon. D A Feetham: Well, Mr Speaker, I am very grateful for that. I can tell the hon. Gentleman that the information that I have comes straight from the horse's mouth and these individuals have been working *continuously* – the first individual for four years.

It appears, Mr Speaker, that the heart of the problem – but of course the Hon. the Minister will make his own mind up when he talks to these individuals – is that there are a number of vacancies that exist at the Post Office, and indeed there have been individuals that have been moved out of the Post Office into other areas. For example, the postal sorter retired in 2013; that is a post that has not been filled. Does the Government have any plans in relation to these particular posts that are vacant at the Post Office? Or indeed does the Government have any plans in respect of the individuals that have been moved out of the postal work, therefore creating this space within the postal service that needs to be occupied, in my view – that is my assessment – by these individuals on permanent supply?

715 **Hon. A J Isola:** Mr Speaker, with respect to the length of permanent or normal supply I will wait to meet the horse to understand what it is that they are telling you. (*Laughter*)

In respect of what the vacancies are, what the operational aspects are, I think what we are currently doing is doing a review to better understand exactly what the position is, and once that has been completed I will be in a much better position to discuss with the people themselves, and of course their union, how we see things moving forward.

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Mr Speaker: Next question.

HOUSING AND EQUALITY

Q276/2017

Disability Bill –

Modifications required to public areas and buildings

Clerk: We now move to Question 276. The Hon. L F Llamas.

725 **Hon. L F Llamas:** Mr Speaker, further to Written Question 24/2017, is the Government now able to provide an answer?

Clerk: Answer, the Hon. the Minister for Housing and Equality.

730 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, this is the exact same question as Question 24/2017 and accordingly the answer remains the same.

Hon. L F Llamas: Mr Speaker, is the Minister able to disclose whether an assessment has been carried out or is currently being carried out?

735 **Hon. Miss S J Sacramento:** Mr Speaker, assessments are being carried out, yes.

Mr Speaker: Again, I cannot allow the hon. Member to raise this matter for another six months. Okay?

Q277/2017

**Mortgaged housing estates–
Responsibility for collecting rent arrears**

740 **Clerk:** Question 277, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise with whom the responsibility rests for the collection of housing arrears in future in respect of the six housing estates mortgaged, and how will this be managed?

745 **Clerk:** Answer, the Hon. the Minister for Housing and Equality.

750 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, the responsibility for the collection of rent arrears will continue to be that of the Housing Department and managed in the same way.

755 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Minister for her answer. If I may ask, can she confirm that, in terms of the entering into arrears agreements, that the Government will still be pursuing the same policy as they have done in the past and offer exactly the same terms and conditions that they have offered in the past to tenants of these six housing estates prior to the mortgaging?

Hon. Miss S J Sacramento: Mr Speaker, yes, in relation to the six estates that are subject to the financing, the same conditions apply because the threshold is that we have to collect arrears of rent regardless. While of course we have a duty in these estates, we also have a duty to the

760 taxpayer in the other estates as well, so we continue to pursue them, to collect them, to chase them as vigorously in relation to all the debtors in the same way.

Hon. R M Clinton: Mr Speaker, if I may ask the Minister: what would happen in the event of significant build-up of arrears in future? Would it be that the Government would have to make good any deficit in rents collected and have to be paid over to Gibraltar Capital Assets Ltd, or does that risk in respect of arrears lie with Gibraltar Capital Assets Ltd in not receiving rent, or does that risk rest with the Minister for Housing – in which case, does she have an obligation to make good any difference in the collection of rents in the future?

770 **Hon. Miss S J Sacramento:** Mr Speaker, that of course is a hypothetical question –

Minister for Health, Care and Justice (Hon. N F Costa): Which is not allowed.

Hon. Miss S J Sacramento: – which is not allowed under Standing Orders, but in any event, for a question of that detail I would need notice of the question. However, what I would say in a general answer to that, to allay Mr Clinton's fears in relation to arrears generally, is that since the arrears collection agreement commenced last January – so it has been going on for over a year – the trend has been that arrears have been decreasing and decreasing significantly every single month of the year except for the month after Christmas, where we had very little increase, but other than that, and they are now down and they are now down to a level below the month before. But the trend is that the figures are going down and not up, Mr Speaker.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for her answer and for and her assurance that arrears will be going down.

785 May I ask – I presume there is and maybe she could confirm – is there actually an agreement with Gibraltar Capital Assets Ltd in respect of the collection of rents and would she be willing to provide that to this House?

Hon. Chief Minister (Hon F R Picardo): Mr Speaker, the hon. Gentleman is asking questions he knows the answers to because he was briefed privately in the subject of this matter. That is not a question that arises from this question. It is a question on which he should have given specific notice and he would have got the answer that he was specifically briefed outside of this House because we said that we would consider those arrangements with him and with other Members of the House. The hon. Lady attended a meeting also where she was briefed in respect of those matters.

Q278/2017

Purchase of new affordable homes – Letters to young people to commence process

Clerk: Question 278, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, further to Question 173/2017, can the Government advise if letters have since been sent to young people to start the process of purchasing new affordable homes at Bob Peliza Mews and Hassan Centenary Terraces?

Clerk: Answer, the Hon. the Minister for Housing and Equality.

805 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, not yet but it is expected to happen in days. We want to ensure, as far as possible, that the letters go out to all persons interested.

810 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Minister for her answer. Can she give the House an indication of how many letters will be sent out – presumably she has the statistics; and if possible – it may be a big ask – a split between both developments?

Hon. Miss S J Sacramento: Mr Speaker, I would require notice for details in relation to that question.

815 **Hon. R M Clinton:** Mr Speaker, I will of course in future table a more detailed question, but could she give the House a ballpark figure as to how many letters she intends to send out? She must have some idea.

820 **Chief Minister (Hon. F R Picardo):** Mr Speaker, there is a lot going on in Gibraltar and a lot going on in the world for us to be here being asked to give ballpark figures of numbers of letters. If he wants to know how many letters are going to go out, he asks us how many letters are going to go out. If he wants to know how many letters have gone out, he can ask us, once they have gone out, how many letters have gone out. If we give a ballpark figure and it is somehow slightly different to the figure we finally give of letters that have gone out, then we face a question of
825 why we gave a ballpark figure that is different to the figure of actual numbers.

This is not a question that arises from have they gone out. Why does the hon. Gentleman think that it is appropriate to ask a supplementary about detail? If it is detail, give the Minister notice of the question and then we will happily come and tell you how many letters we are preparing to go out. It is not a question of not giving the information; it is a question of being
830 asked a question about detail in the context of a question in respect of which it does not arise.

Hon. R M Clinton: Mr Speaker, I am grateful for the Chief Minister's intervention.

Just for the sake of clarity, the question I asked was specifically in respect of the letters and I assumed that the Government would know how many were being prepared. But I will not
835 pursue the point any further and I will do as the Chief Minister suggests and put in a more detailed question. I appreciate this is not a question either.

840 **Hon. Chief Minister:** Well, thank you, Mr Speaker, for the hon. Gentleman's non-question, but the hon. Gentleman needs to know that these numbers change. There will be more people on the housing waiting list and we want to cast the net as widely as possible, so it is not something we can know today. We can tell him the actual number when it happens and we will be quite happy to tell him – it is just a question of counting the pieces of paper that have gone out to different addresses.

845 **Hon. Ms M D Hassan Nahon:** Mr Speaker, if I may intervene here, I notice that the statistics online have disappeared on the housing front. Is there any reason for this?

850 **Hon. Miss S J Sacramento:** Mr Speaker, I am not sure how this arises as a supplementary question but I will answer because it was a question put to me by the Hon. Mr Reyes last month, where I explained that we had noticed some errors in the information that was going up and we were completely reviewing everything that was online because it was more important for me to make sure that if information is available on line, that it is correct and it is accurate and not things that we discovered when we reviewed, which for some reason were being inputted by different people and not being inputted properly. But that was a Parliament question at last
855 month's Parliament, if I recall correctly, Mr Speaker.

Q288/2017
Government dwellings –
Numbers vacant or derelict

Clerk: We move to Question 288. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: How many Government dwellings are there currently in Gibraltar which are vacant or derelict?

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Clerk: Answer, the Hon. the Minister for Housing and Equality.

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, we are currently undertaking an in-depth study of all the properties.

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Hon. Ms M D Hassan Nahon: Mr Speaker, if I may ask, does Government or the Housing Ministry have any policy or any intention to allow for Gibraltarians to take any of these derelict properties on and perhaps beautify them and take them over in the future?

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Hon. Miss S J Sacramento: Mr Speaker, yes, in the future and in the past, because that is precisely what we have been doing with these properties. What we are doing at the moment, though, is looking at all the properties that we have available in our property portfolio to see how collectively we can move forward in a way that best suits the needs of the Government, and indeed, as the hon. Lady says, the housing needs of people in Gibraltar.

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Hon. E J Phillips: Mr Speaker, just one question arising from that question. If the Government is conducting, as the Minister says, an in-depth study into those properties, surely they must know how many dwellings are vacant or derelict.

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Hon. Miss S J Sacramento: Mr Speaker, again it is a number that fluctuates and it is not for the Department to determine whether a property is derelict or not. We need to consider various things into account and we need to look to see whether a property is vacant and beyond economical repair, in which case we would then assess it to be derelict.

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There have been assessments, which we are reviewing, but the reason I have not provided the figure is because figures are subject to change, subject to this review that we are conducting, because it will all be taken into the global context of the properties that we have. But we will have a very clearer picture in the not-too-distant future because we are very advanced in the study. It is something that we are looking at collectively because we are looking at the parcels of properties that we have available and it may be that it entails moving properties. So it may be that we have more empty properties in the future but with a view to looking at the whole urban renewal and urban regeneration of certain parts of the Upper Town in particular.

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Mr Speaker: Next question.

ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS AND THE GSB

Q289 and 290-301/2017

Public finances –

**Public debt; Liquid reserves; GSB shareholding in Gibtelecom;
Inflation and public sector pay increase; Shell LNG Gibraltar Ltd; GSB debentures;
Standard Credit Finance Company Ltd; Management of mortgage funds;
Gibraltar Capital Assets Ltd; General Sinking Fund balance**

895 **Clerk:** Question 289, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please provide the total Gross Debt, Aggregate Debt after application of the sinking fund to Gross Debt, Cash Reserves and Net Debt figures for Public Debt as at 1st February 2017?

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

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):
905 Mr Speaker, I will answer this question together with Questions 290 to 301.

Clerk: Question 290, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, I beg your indulgence if I lose my voice in the next five
910 minutes.

Can the Government please advise the total liquid reserves figure and its constituents, namely Consolidated Fund, Improvement and Development Fund, Government Owned Companies, Deposits, Contingencies and other funds for the following date, being 1st February 2017?

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Clerk: Question 291, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please advise how total liquid reserves are invested/held, giving details of all savings bank accounts and cash held for the following
920 date, being 1st February 2017?

Clerk: Question 292, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if the Gibraltar Savings Bank has
925 invited any expressions of interest for all or part of its shareholding in Gibtelecom?

Clerk: Question 293, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if it is concerned that inflation for
930 the quarter ended 1st January 2017 is 2.5% compared to 1.5% in the previous quarter; and is it still committed to pay increases of 2.75% or inflation, whichever is higher, for the public sector?

Clerk: Question 294, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, given that the Chief Minister in his 2016 Budget speech stated
935 that the Government would have a 49% interest in Shell LNG Gibraltar Ltd, can the Government

advise why it answered Question 87/2017 as follows: 'There are no other joint ventures other than the one mentioned in the question'?

940 **Clerk:** Question 295, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise what are the financial terms and period for new savings products offered to holders of Gibraltar Savings Bank debentures that mature in 2017?

945 **Clerk:** Question 296, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise why was Strand Credit Finance Company Ltd (08489759) allowed to be struck off and dissolved by the UK Registrar of Companies by compulsory strike off for the 1st December 2015, and was any property consequently *bona vacantia*?

Clerk: Question 297, the Hon. R M Clinton.

955 **Hon. R M Clinton:** Mr Speaker, can the Government advise why it was felt necessary to incorporate a new Strand Credit Finance Company (10094514) on 31st March 2016 in the United Kingdom and how much did that cost?

Clerk: Question 298, the Hon. R M Clinton.

960 **Hon. R M Clinton:** Mr Speaker, can the Government advise how it intends to manage the net £275 million raised by way of mortgaging the six housing estates and who is the responsible officer?

965 **Clerk:** Question 299, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please identify which Government-owned company is to make payments to Gibraltar Capital Assets Ltd by way of housing allowance and what contractual arrangements have been put in place to facilitate this?

970 **Clerk:** Question 300, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise how much has been paid in rents collected to Gibraltar Capital Assets Ltd from inception of the new tenancy agreement for the six housing estates to 31st January 2017?

Clerk: Question 301, the Hon. R M Clinton.

980 **Hon. R M Clinton:** Mr Speaker, can the Government advise the balance on the General Sinking Fund as at 1st February 2017?

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

985 **Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** Mr Speaker, the position of the Public Debt as at 1st February 2017 continues to be as previously stated, except that the cash reserves were £95.6 million and the net public debt was £357 million.

990 The position as regards the total liquid assets composition, when, where and how these are
invested on a particular date chosen by the Member opposite continues to be as previously
stated.

The GSB has not invited any expression of interest for the shares in Gibtelecom.

995 The January level of the IRP is in line with what I predicted was likely to happen when I
answered the hon. Member's questions in relation to the index increase of last October. All the
indications are that inflation is likely to be higher in the future than it has been in the recent
past. To the question on whether we stand by our commitments, the answer is that we do stand
by our commitments.

I answered Question 87/2017 by providing the information requested in the question.

1000 There are no new saving products being offered to the holders of the GSB debentures that
mature in 2017.

I am informed that Strand Credit Finance Company Ltd was struck off having been dormant
due to an oversight on the part of the UK administration, who met the cost of reincorporating it.

1005 The cash raised by Gibraltar Capital Assets will be managed by the Treasury as part of the
pooled cash reserves of the Government companies and the Housing Allowance payments will
be received by the company from the funds in the pool. The rental income for the period
requested was £1,896,189.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his response. As usual I will
just need a couple of minutes to absorb it.

1010 I seem to note that I do not have an answer to Question 301, the balance in the General
Sinking Fund.

Hon. J J Bossano: Mr Speaker, the answer to that is already contained in the answer that I
have given him.

1015 **Hon. R M Clinton:** Mr Speaker, I asked specifically for the balance of the General Sinking
Fund. I do not recall hearing that number.

1020 **Hon. J J Bossano:** Well, Mr Speaker, if I tell him that there has been no change and he knows
what the balance was before, then the answer is that the balance is what it was before. He
should be able to work that one out for himself.

1025 **Hon. R M Clinton:** Mr Speaker, I have never been a great fan of the *Times* cryptic crossword,
but could the Minister indulge me and just give me the number of the balance as at
1st February?

1030 **Hon. J J Bossano:** No, Mr Speaker, I do not see why I should indulge him. I spend every month
telling him that there has been no change and now he cannot remember what was the figure
that I gave him. Well, then, he can look it up.

Hon. R M Clinton: Mr Speaker, coming to the question of Shell LNG Gibraltar Ltd, can the
Minister advise the House whether he considers this to be a Government joint venture? Yes or
no?

1035 **Hon. J J Bossano:** Mr Speaker, I do not tell him what questions he should put and he does not
tell me what answers I should give.

Hon. D A Feetham: But you do ask him [Inaudible]

1040 **Hon. J J Bossano:** No, I give him the benefit of my experience, for which he is always grateful, so that he can improve his performance – which he seems to be doing because he has now been promoted by the Hon. the Leader of the Opposition! *(Laughter and banging on desks)* I think he should thank me for that.

1045 If the hon. Member is asking me to express an opinion, then in my opinion since the Savings Bank owns all the shares, it is not a joint venture. A joint venture is something with a third party.

Hon. R M Clinton: Sorry, Mr Speaker, I do not know if the Minister and myself are talking at cross purposes but did I just hear him say ‘because the Savings Bank owns all the shares’ when I was talking about the Shell LNG?

1050 **Hon. J J Bossano:** Mr Speaker, the answer that I gave him was in relation to the question that he asked, right? He asked whether there was a joint venture with Shell by a Government company, and the answer is that there is not. The fact that a statement was made at a certain stage in time saying this was going to happen does not mean that things cannot be changed and plans cannot be changed. There is not a Government company in joint venture.

1060 **Hon. R M Clinton:** Mr Speaker, the reason why I asked this question – and I will put a question to the Minister in a minute – is because I am conscious of the Minister’s desire for precise questions, and he gives precise answers for which I am always grateful. But in raising questions in the House I have to be clear in my own head, in my mind, as to will that question elicit the answer that I am expecting or not, and if the rules of the game change it is very hard for me to ask the right question to elicit the right answer. It is a bit like playing Animal, Vegetable, Mineral: suddenly the vegetable becomes a mineral and the mineral becomes a vegetable and I do not know which is which.

1065 Mr Speaker, I am just a bit concerned as to whether the Minister has been given the correct information, because if you do a search on Shell LNG you will find that it was incorporated not long after the Chief Minister’s speech on 18th August 2016, and of the 2,000 issued shares Credit Finance Limited is the proud owner of 98 shares, which is equivalent to the 49% we were talking about. Credit Finance I believe is still owned by the Gibraltar Development Corporation.

1070 When I start asking about Government joint ventures, is it that the Gibraltar Development Corporation or anything that it owns is not considered a joint venture? Or is he, in his answer, only going to answer in relation to specifically directly owned Government entities and nothing that is related to the GDC?

1075 I am sure the Minister will appreciate the difficulty that causes me in asking the right question. I would be grateful if the Minister could clarify.

Hon. J J Bossano: Well, Mr Speaker, the first thing I want to clarify to the hon. Member is that he keeps on asking questions here on information that he has already obtained which is publicly available, which is something he is not supposed to be doing.

1080 The Credit Finance Company is predominantly owned by the Gibraltar Savings Bank and it is therefore something that is used as an investment vehicle by investing in activities, products or ventures that will promote the economic development of Gibraltar. Therefore, Credit Finance has invested because it comes within the terms of reference of what the Savings Bank does under the amendment which I introduced in the House and which he voted in favour of – but it is not the Government with Government money.

1085

Hon. R M Clinton: Mr Speaker – and I know I risk straying into extending the question. Does the Minister not accept that Credit Finance – the £30 million ordinary shares are owned by Gibraltar Development Corporation and that the preference shares are owned by the Savings Bank – have no voting rights?

1090

Hon. J J Bossano: I do not accept what he has said because, as far as I am concerned, the majority shareholder in the company is the Gibraltar Savings Bank.

1095 If the hon. Member's analysis was true, then it would mean that all the things that he has said about the Credit Finance, which has been criticised by him and by his colleagues on innumerable occasions on the basis that Credit Finance was a company that was being used to give money to the Government ... all that would be false if in fact Credit Finance belonged to the Government, because how could the Government be giving money to itself and be criticised for doing it.

1100 There is an element of the original ordinary capital that was created under the GDC and then the bulk of the capital is provided by Credit Finance. So, if Credit Finance provides £400 million out of £430 million, I do not see how the hon. Member opposite argues that it is owned by the owner of the £30 million and not by the owner of the £400 million. So I do not agree with his analysis and it certainly does not stand up against his previous interventions when he has been
1105 critical, and so has the Leader of the Opposition, when they have accused the Government of using Credit Finance as a source of finance for Government projects. Well, look, if it belonged to the Government, as the hon. Member is now trying to describe it, then all the previous arguments would be nonsense because then the Government would be using something that belongs to it.

1110

Hon. R M Clinton: Mr Speaker, I always find the Minister's logic infallible. Following his own logic and following on from what I believe he has just said, what he is telling the House is that it is the Savings Bank that owns the 49% indirectly, through Credit Finance, in Shell LNG under the terms of its amended objects in which to further the economic development of Gibraltar. Would
1115 that be correct?

Hon. J J Bossano: Yes, and it will earn a very handsome return on that investment.

Hon. D A Feetham: Mr Speaker, is it not the case that the position is as follows: that what we
1120 have is a Government-owned company that is being funded to the tune of £30 million by the taxpayer through the GDC and £400 million through savers' money through the Gibraltar Savings Bank, but the vehicle itself is owned by the Government? It is a Government-owned company – at least partly owned by the Government, even though, as my hon. Friend has said, ordinary shares are owned by the Government through the GDC and the preference shares are owned by
1125 the Gibraltar Savings Bank.

Hon. J J Bossano: Well, if the hon. Member is asking me to be true that the Gibraltar Development Corporation owns £30 million of the shares and the Credit Finance Company owns £400 million, then of course it is true because I have just said so myself a few minutes ago and I
1130 always tell the truth.

In any event, it is a matter of public knowledge; this is not a secret. But of course if the hon. Member would be happier if the £30 million that is owned by the Government was also owned by Credit Finance, I will take that on board and see if I can make him happy.

1135 **Hon. D A Feetham:** And is it not also the case that the circularity of the argument is as follows? You have a Government-owned company, Credit Finance. It is owned by the Government because the Government owns the ordinary shares. It is also partly owned by the Gibraltar Savings Bank, but it is funded by the taxpayer and by the Gibraltar Savings Bank. The £400 million in Credit Finance which the Gibraltar Savings Bank has invested has gone to another
1140 Government-owned company, which is Gibraltar Investment Holdings Ltd, which is then being used in order to pay for expenditure that Gibraltar Investment Holdings Ltd has, including the funding of all the other Gibraltar Government-owned companies, which includes projects and expenditure that those companies may have on behalf of the Government.

Hon. J J Bossano: Well, I do not see how that arises from the question on the LNG Shell Company, but of course all that the hon. Member is saying is that I am right in my analysis – and I am grateful to him for saying that – because he is saying that in fact the company that is providing the finance is a Government company and therefore, if it is a Government company, then he cannot be arguing that a different entity is providing money to the Government. Logically, his argument would only be consistent with what he has said in the past if he accepts that the Government is a very small minority shareholder – that is to say it is a shareholder that has £30 million out of £430 million. As far as I am concerned, the logic is that the decisions on the investments are determined predominantly for the benefit of the owner of the £400 million, which is the Gibraltar Savings Bank, which is why I am answering this question.

Hon. D A Feetham: A final question, Mr Speaker. The point is that you can have a Government-owned company that is capitalised, that is provided with capital, with money, by the Gibraltar Savings Bank. It does not alter the nature of the beast, of the vehicle. The vehicle is a Government-owned company, at least partly so. It may be funded by the Gibraltar Savings Bank but it is a Government-owned company and it is then a Government-owned company that makes the decisions, be it on behalf of the shareholders or whatever, but it is a Government-owned company that is making the decisions as to where the money is being invested. It is actually being invested in other Government-owned companies and those other Government-owned companies are using it in order to fund projects that the hon. Gentleman promised a multiplicity of people at the last election and indeed previously in the 2011 election.

Hon. J J Bossano: Mr Speaker, Credit Finance invests money that it has obtained by issuing shares. It invests the money in order to make a profit so that the debenture holders are able to get the return that they do.

There is no way that the hon. Members opposite can be in favour of the Savings Bank having debentures and paying the rates that they do and against the Savings Bank deploying those funds in accordance with the power that it has to do under the law to make a profit.

I do not know if it is that the hon. Member prefers that the profits should go to a bank that is not owned by the Government and that when capital has to be raised it should be raised from other banks, which is something they used to do when they were in Government, when they used to put money in Barclays Bank and then borrow money from Barclays Bank, except that when they lent it to Barclays Bank they were getting 1% and when they borrowed it they were paying 6%.

If and when the Members form the next Government of Gibraltar they can stop Credit Finance, they can reduce the activity of the Savings Bank, they can go back to having reserves of £1,444.45 instead of £25 million. That is their prerogative, but they will have to get a vote to do that. We have got a vote to enable us to do what we are doing and all that we are here to do is to explain to him how it is being done, which he does not have to agree with.

Hon. D A Feetham: And I am very grateful to him always for his candid explanations, which certainly when he does explain things I always find very helpful. But drilling down to where the differences are here, which are highlighted and actually come out of that answer, yes, of course if you are taking debentures ... the Gibraltar Savings Bank, I mean, is taking money from customers, it has got to offer a rate, and from 2011 to 2013 it was offering rates that went up to about 5%. That was *well over* market rates. There is not an investment, unless one is talking about riskier investments ... very difficult to actually have safe investments that will offer – it is impossible – more than 5%. Indeed, banks, UK Treasury gilts, they were all offering less than 1% for most of that period. What is happening here, and I would like the hon. Gentleman to confirm it, is that the money from the Gibraltar Savings Bank into Credit Finance is actually being invested in the Government of Gibraltar. That is where it is being invested, and therefore it is the Government of Gibraltar, because it is those Government-owned companies that are owned ...

that is where the money is actually going. It is Gibraltar Investment Holdings, the Government-owned company, and all the other Government-owned companies that are benefitting from this money, and therefore the Government ... That is the investment. It is the Government ultimately that is going to have to repay this. That is why we have always said, 'Well, actually, it is the Government – indirectly, through this complicated vehicle – that is actually borrowing the money, even though technically speaking it is off the books as Government debt. Apart from the *Sunborn*, I have to say that I cannot think of on my feet any private investment or significant private investment into which the £400 million has actually been paid, other than into Government-owned companies for Government projects.

Hon. J J Bossano: Mr Speaker, the question is about the investment in the LNG plant which has been made by Credit Finance – and he says he cannot think of anything other than the *Sunborn*. The question that we have by Mr Clinton is about the LNG investment. The LNG investment is by Credit Finance on a return. The joint venture, if it is with anybody, is a joint venture between Credit Finance and Shell, not between the Government and Shell.

The issue is whether a company which is owned with £400 million out of £430 million by the Savings Bank and £30 million by the Gibraltar Development Corporation is a Government company. That is what the issue is. As far as I am concerned, it is not a Government company because the Government is a minority. But if they would be more comfortable if it was 100% owned by the Savings Bank, then I am prepared to make them happy by spending £30 million and buying the 30 million shares and then they do not have to worry anymore.

Hon. R M Clinton: Mr Speaker, I hope to wrap up on this particular question and then move on to other ones. In terms of this particular investment by Credit Finance and Shell LNG, can the Minister then ... If I understood him correctly, he is telling the House that the Shell LNG Gibraltar plant is not a Government joint venture project. Is that correct?

Hon. J J Bossano: I am telling him that it is not a joint venture between the Government of Gibraltar using a Government company, but it is a joint venture between Shell and Credit Finance, which has got a minority shareholding of the Government. That is what I am telling him.

Hon. R M Clinton: Thank you, Mr Speaker.
Again, just wrapping up on this, can the Minister advise – and again this is a hypothetical question – in terms of Credit Finance whether he would be willing to provide information in terms of the equity investments that Credit Finance makes?

Hon. J J Bossano: If by the equity investment what he wants to know is the number of shares that there are, then the number of shares that there are he knows already from the registry that he says he has gone to look at.

Hon. R M Clinton: Mr Speaker, yes, I am not referring specifically to Shell LNG; I am talking in general of any other equity investments that Credit Finance may hold.

Hon. J J Bossano: He has already had the answer to that question before. That answer has not changed.

Hon. R M Clinton: Mr Speaker, I would be grateful if the Minister could refresh my memory in terms of in which question specifically I asked that.

Hon. J J Bossano: I will refresh his memory: the answer was no. *(Laughter)*

Hon. R M Clinton: Mr Speaker, again I beg your indulgence because there are quite a few questions to get through.

1250 Going to Question 292, where the Minister advised the House that he has not invited any expressions of interest for the shareholding in Gibtelecom, can I ask the Minister: does he undertake an annual valuation exercise of the shares that the Savings Bank holds in Gibtelecom in terms of potential earnings, multiples, etc?

1255 **Hon. J J Bossano:** No, Mr Speaker, we carry the shares that are not quoted. He will remember that he asked me a long time ago about whether shares were quoted or not quoted and I told him that they were not quoted because they are not on a stock exchange, even though there was a reference to quoting in the paperwork that I supplied him with.

1260 The value is the value at which we purchased a share. Probably if we were to do a valuation based on the return which we are getting, which is an 8% return, the capital would be worth more, but that is not the way we do it.

 If we were at some stage to dispose of the shares, then clearly the remaining shares would be revalued at whatever money was paid for the ones that we sold, because that would be logical.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer.

1265 If I can move to Question 293 in terms of inflation and the public sector pay increases, does the Minister have a view as to inflation and how far it may or may not go up again? I will defer if he says it is a hypothetical question but I am sure he has some feel for where the number may be; and if so, in terms of the public sector pay increases, does he have a cost for honouring that commitment, at say the 2.75% level certainly for this year, in terms of the overall cost of the inflationary increase?

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1275 **Hon. J J Bossano:** Well, Mr Speaker, in the estimates we always include a figure from which – I think something like £9 million, which is well above what is required for the pay review, but that has always been the case – and it is from that figure that there is a provision that is then distributed along the heads of expenditure when pay settlements are made and that meets the cost of the pay, which is an important part of that £9 million, and increases either for other charges that may come in at a higher figure than expected ... Inflation will be something that will affect the Government's Budget not just in respect of salaries but in respect of procurement.

1280 So the answer is that the figure ... I cannot tell him what the figure is going to be in this year's Budget because we have not yet done the Budget and it would be wrong to pre-empt those figures, which he will be able to see at the end of April, but it is unlikely to be less than what we have provided in the past because if we look at inflation before the period where prices were, I think, deliberately being kept down and interest rates were being deliberately kept down by this policy of quantitative easing, which put a lot of money in the market, something like 2.5% to 3% was considered to be a normal rate of inflation.

1285

1290 Indeed, a lot of Governments have been trying to get the level of inflation to go up to the 2% target of the Bank of England because they consider that in order to stimulate economic growth there has to be an element of inflation in the economy, and when inflation has been at zero, or in some cases below zero, negative when prices have been falling, then that is considered to be a recession if it happens in two consecutive quarters according to the mantra that most economists subscribe to – but I do not necessarily do.

1295 But the answer to his question is I think we need to think of inflation around the 3% figure as normality, because all we need to do is to go back some three years and we will find that ... For example, in the years before ... In 2012 it was 3.7%, in 2011 it was 3.5%, in 2010 it was 3.4%. Those are the recent figures until this very strange period that we have lived in the last few years, which has been artificially engineered.

RECESS

Chief Minister (Hon. F R Picardo): Mr Speaker, I am going to have to move that the House should now recess until 3.30 this afternoon, when the supplementary questions etc. will be able to continue.

Mr Speaker: The House will now recess until 3.30 this afternoon.

The House recessed at 12.32 p.m. and resumed its sitting at 3.30 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.34 p.m. – 7.39 p.m.

Gibraltar, Wednesday, 29th March 2017

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The Gibraltar Parliament

The Parliament met at 3.34 p.m.

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

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

Questions for Oral Answer

ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS AND THE GSB

Q289 and 290-301/2017 – Public finances – Supplementary questions continued

Clerk: We continue with answers to questions. I believe we are on supplementaries to Question 301. The questioner was the Hon. R M Clinton.

- 5 **Hon. R M Clinton:** Mr Speaker, if I can move to the answer to Question 295 in respect of the Savings Bank and any new products, the Minister advises that there are no new products being offered to holders of maturing debentures in 2017. With reference to his press release in March about the change of interest rates, I can see that the debentures that are available – and he will correct me if I am wrong – are three-year fixed term, five-year fixed term for non-pensioners;
10 and five-year fixed term, 10-year fixed term for pensioners. Is there a reason why there is not a 10-year fixed term for non-pensioners?

- 15 **Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** Mr Speaker, the question is whether anything is being offered to people whose debentures mature, and there is nothing about pensioners in the question.

- 20 The answer is, of course, that we are not creating a product which is only available to the people whose debentures mature. We did that only once, which was when people had debentures that were redeemed before the maturity date and then something was created because we were moving from the Government to the Savings Bank. Normally with the Savings Bank debenture what happens is that whatever is available on the web page for anybody is what is available to the people whose debentures are maturing now, including taking all their money in cash out. There is about £200 million this year of maturing debentures and if the people wanted the £200 million the cash is there.

- 25 I think, in terms of why there is not a 10-year one, in fact in the past the 10-year one has not been all that attractive in terms of the money that has been brought in and therefore, because we wanted to keep the higher rate for pensioners, which would not apply to non-pensioners, we decided that since there was already a 10-year one for pensioners we would not reduce the rate of that and we would leave that at the 5%. That is the reason why it was done.

30 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Minister for his answer. If I may move to
Question 296 in respect of Strand Credit Finance Company Ltd and the striking off by the UK
Registrar of Companies, the answer was that it had been dormant and there was an oversight on
the part of the UK administration. I would be grateful if the Minister could advise the House who
is responsible for managing these companies. I believe it is a subsidiary of Gibraltar Strand
35 Property Company Ltd, which is registered in Gibraltar. How did this oversight occur? And the
second part of my question was: was any property consequently *bona vacantia*?

Thank you.

Hon. J J Bossano: Mr Speaker, I gave an explanation to Parliament when the company was
40 originally set up. I think I had questions then from the Leader of the Opposition at one stage, and
then I think from Mr Bossino at another stage. What I said was that the purpose of the company
was in case there were properties that we wanted to buy in the United Kingdom and there was a
difficulty. Let us say, for example, that Calpe House, which has got a mortgage in the United
Kingdom for the new Calpe House ... If Calpe House had been unable to get it or unable to get it
45 on sufficiently attractive terms, then we had a vehicle ready to do that. I gave the example the
last time also of sometimes when there are long-term patients in the United Kingdom that need
family accommodation. I think we have got one case where a property was bought in
Manchester. If it is not easy to get the necessary mortgage facilities, then we would have a
vehicle already in existence.

50 Those circumstances have not materialised, so in effect the company was dormant because
there has been no activity and there is a company of accountants, or something like that,
engaged in the United Kingdom that does the books of these two companies and that is the one
that overlooked the need to keep the registration alive. When it came to light they accepted
that it was their mistake and they put the mistake right at their own cost because it was their
55 fault.

The answer is there is no management, because the company is a vehicle that is ready there
for, and when we need it, but we have not needed it so far.

Hon. R M Clinton: I am grateful to the Minister for his answer.

60 Coming on to Question 297, which I think the Minister may already have answered in
answering my first question, was it then reincorporated because you may envisage a need for
something similar in future and presumably you would want to keep that optionality? And when
you say there is no cost, I presume, as you say, there is no cost to the taxpayer – if you can
confirm that – because the administrator has covered that cost. Would that be right, eh?

65 **Hon. J J Bossano:** I think the cost of maintaining the company is under £200. We think that
for £200 a year it is worth having the company there, because we might need it in a situation
where we want to act quickly if we have difficulty in raising finance simply because the ultimate
owner would not be an entity that lending institutions in the UK might be familiar with.

70 **Hon. R M Clinton:** Mr Speaker, just to finalise on these two questions, if the Minister could
just confirm, then, there was no issue of *bona vacantia* when the company was dissolved.

Hon. J J Bossano: The hon. Member is right, there was not.

75 **Hon. R M Clinton:** Mr Speaker, if I can move now to Question 299 in relation to the Housing
Allowance, the answer the Minister has given the House is that the Housing Allowance payments
will be received by the company, the company being Gibraltar Capital Assets Ltd, from the funds
in the pool. My question is really quite specific in that I wanted to know which Government-
80 owned company is to make these payments and what contractual arrangements are in place. I
wonder if the Minister could answer those two questions.

Hon. J J Bossano: Mr Speaker, I think I have been explaining to the Members opposite something they would know from the time they were in Government – those who were in Government – but I have had to explain it to those who arrived subsequent to 2011 and now to those who have arrived subsequent to 2015. The pool is the pool invented as a device by the GSD administration, which we continue to use because in fact it is a very efficient way of dealing with the situation where all the money during the year the Treasury uses as one single pot of money. There is a pot of money that is company money, there is a pot of money that is I&D money and there is a pot of money that is Consolidated Fund money, and whatever movement there is, that is all reconciled at the close of the financial year. Clearly, if there are companies that have got surpluses and companies that have got deficits, the company which will get charged any payment will be the one that has got the resources available to it to be able to make the payment, because at the end of the day we have got the income that comes in from the rent which goes direct to that company and then it has to be supplemented by the Government because that is part of the agreement that there is with the lenders – which had been explained to the hon. Member by the Chief Minister in the meeting that they had.

So the answer is that there is not a specific company that is there to do that. The money will come from the company that has got the available resources, but at the end of the day we supplement it in order to meet the obligations of what has to be the annual cash that has to be paid and the annual cash that has to be built up for the eventual repayment of the £300 million. That is how it works. That is as much detail as I have got.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister, and yes, I am now well familiar with the cash pooling concept. However, what I am finding some difficulty with is understanding whether there is any contractual obligation to make this payment to Gibraltar Capital Assets Ltd, and if so with whom if the liability gets passed to whichever company has surplus assets. How has this arrangement been formalised to ensure that payments are made? Who is the guarantor of this payment?

Hon. J J Bossano: Mr Speaker, the hon. Member seems to forget that we are the owner of all the same things. I know that he is an accountant but he is not the accountant of the Government who has to satisfy himself that one thing is in one pocket and should not be in another pocket.

We have got Gibraltar Investment Holdings, which has got other companies which are subsidiaries, of which the Member knows from the book; and then we have got the GDC, which has a number of subsidiaries. Those 100% Government-owned companies, if they require decisions, all have the same owners and all have the same directors, all of them, so whatever technicality needs to be done is done in order to make sure that the mechanism that we are using – inherited from them – is working in accordance with any legal requirements there may be.

As a matter of policy, as a policy maker, I do not have to take a decision on that. There are people employed in the Treasury who have been doing this before 2011 and who continue doing it. Obviously, before 2011 there was not the equivalent of the hon. Member on that side who was an accountant trying to be the accountant of the companies, so those kind of questions were not asked before by me. I tended to limit myself to having the Government explain to me or defend its policies, not the technicalities of what the employees in the Treasury do and whether they are doing something that they should or should not be doing. I cannot imagine that any civil servant would be willing to expose themselves to doing things that are in conflict with the law.

Hon. R M Clinton: Mr Speaker, if I may ask the Minister a direct question: is there a contract with Gibraltar Capital Assets, signed by the Government, saying that we will give you the Housing Allowance to make up the difference in your cashflow requirements, and is it a contract

between the Government – not a Government-owned company but the Government – and Gibraltar Capital Assets Ltd?

Hon. J J Bossano: I do not know what the Government told the hon. Member in that meeting where I was not present, and I do not know whether he asked the questions, so I am not going to give him an answer until I have found what he asked them and what they told him.

Hon. R M Clinton: Mr Speaker, is the Minister telling the House that he does not know? Surely he must know whether there is a contract in place with the Government and Gibraltar Capital Assets Ltd.

Hon. J J Bossano: Mr Speaker, I do not have to tell the hon. Member how much I know; I only have to tell him how much I am prepared to tell him, and therefore what I have just told him is he had the opportunity – which I probably would not have given him if it had been my decision – of being briefed in private for several hours. I do not know how much he asked in those several hours and I was not at that meeting. If I had been, he probably would have been told less than he was told. But I am telling him now that any questions that he wants to know about this I will look at on the basis of finding out what he asked before and what he was told before and whether he was told things that he was told there on the basis that he was being given a private briefing and not a public airing. If he wanted a public airing he should have refused to go to the private briefing and then he would have had to be content with what he got.

But I am telling him as a policy maker the position is that the mechanism works on the basis that that is how it was working. It is an efficient mechanism, and it was not invented by us but it is an efficient way of doing things from the point of view of doing things administratively. I do not believe in adding layers of bureaucracy that cost money; I believe in removing layers of bureaucracy, which saves money for taxpayers. He believes in that as well because he urges me to do things. I know that he supports the fact that I have taken the responsibility on behalf of the Government for improving efficiency. If it is something that works and is cost effective, then as a matter of policy I would not try to change it. If it is something that is in breach of some technicality, then there are two ways of dealing with it: either we as a Government change the requirement for the technicality, which we have got the majority to do; or we say to the professionals, 'Well, look, you are technically out of order: put it right.'

When he goes beyond that to say 'Is there an agreement between somebody or the other?' it is like the questions he has asked on previous occasions: 'Well, did you tell the Attorney General to do something, or not?' Governments do not come to Parliament to give verbatim reports of their conversations during office hours with their civil servants. I will find out, and if there is information that is available to me and there is no problem in sharing it with the hon. Member I will share it with him here so that he is free to do with it what he likes.

Hon. R M Clinton: Mr Speaker, I am, as always, grateful to the Minister for his honesty in response and his helpfulness in undertaking to at least go and look and see if there is such an agreement. If I may just say that certainly when we attended the meeting we were told there was going to be a payment from a Government company, although it was not identified to us, and certainly nothing was said that deemed that information commercially sensitive or private in any way, which is why I have asked the question of the House.

My interest – and I am sure the Minister will appreciate this – is the contractual arrangements, because I am sure he will agree with me that it would be inappropriate, for example, for another Government-owned company or, indirectly through the Savings Bank, Gibtelecom to make a contribution to Gibraltar Capital Assets Ltd. I am sure he would agree that that would be completely out of order.

So, Mr Speaker, I would be grateful if the Minister would find out, if he can, whether there is such an agreement in place and revert to the House as he said he would.

Thank you.

Hon. J J Bossano: Mr Speaker, I am answerable for the Gibraltar Savings Bank and all the shares of Gibtelecom, as an example, held by the Savings Bank. The profits pay the dividends to the Savings Bank and I can assure the hon. Member nobody is going to touch a penny of my dividends for as long as I am there!

Hon. D A Feetham: Mr Speaker, the hon. Member may recall that in the past when we have spoken about where the money from the Gibraltar Savings Bank, Credit Finance, into this pool mechanism has gone, the hon. Member, when I asked him what is that money being used for, has said to fund the cash requirement of Government-owned companies. That was the answer, that is a matter of record, and I think that he recognises that is what he said.

Bearing in mind that he has given a very similar answer now, in relation to capital assets, to my hon. Friend Mr Clinton – that it is going into the same central pool – and bearing in mind that in fact there are no subdivisions of that pool into defined pockets, as he has described it, am I also right in saying and assuming that that money too is of course being used to fund the cashflow requirements of Government-owned companies or whatever else the Government may need the money for?

Hon. J J Bossano: The money that has been provided to Gibraltar Investment Holdings as FRNs, is then, as he has been told before, finds its way to companies that may need the cash at the time they need the cash. That money has not increased; if anything it has come down. That is to say the original provision of funds to GIH has not gone up since, and if anything it is coming down rather than going up, so there is no question that Credit Finance is providing additional money to GIH other than the money that was provided before this arrangement existed. Before the £300 million facility existed, the money that was given to GIH would have gone down. Nothing extra has gone from Credit Finance to GIH since then.

Hon. D A Feetham: Capital assets, £300 million.

Hon. J J Bossano: Yes, but the £300 million, Mr Speaker, is in the company that obtained the money on the basis that it was secured on the leases of the estates. Having obtained that money, that money is available to the pool. Okay? It is not the case that the company that got the money from Credit Finance, GIH, has received any additional money from Credit Finance in order to make any payments to the company that has the annual rental payments to make, so it is not the case that any new money has gone in that direction from Credit Finance. The money that went initially from Credit Finance has been available to other companies for other things that they were undertaking. For example, you have got property companies that have been receiving money from the sales of properties, from the 50-50 sales. That money is available in the pool either for investment in other things or for the payment or for the amortisation of the capital of this company because it formed part of the same pool.

If the hon. Member is asking is it the case that we are relying on fresh money from Credit Finance, the answer is no; is it the case that the money is not being repaid to Credit Finance, the answer is no. Money is being repaid to Credit Finance at the same time, so there is nothing that has happened as a result of this company coming into existence that has cost more money to be provided from Credit Finance to Gibraltar Investment Holdings.

Hon. D A Feetham: No, that is not the question. Mr Speaker, I apologise, it is probably my fault, but the hon. Gentleman has not understood the question. I understand that otherwise there would be implications of the nature of the scheme. I understand this is not capital assets, Gibraltar Investment Holdings into Credit Finance. I am not asking about that.

I am saying: in the same way as the money from Credit Finance went into the central pool at the Treasury – which was then, according to him, used to finance the cashflow requirements of Government-owned companies, as he said to this House – is the new £300 million from capital assets, which has also gone, according to him, into this pool which is effectively operated by Gibraltar Investment Holdings ... or not? (**Hon. J J Bossano:** Treasury.) Yes, okay, Treasury. Is that pool, is that money, also being used in order to fund the cashflow requirement of Government-owned companies and indeed the Government itself?

Hon. J J Bossano: I do not think it is being used in the sense that use has been made of it so far, but it would be available for that use.

Hon. D A Feetham: Yes. Yes.

Hon. R M Clinton: Mr Speaker, if I may move to Question 298 on the same subject of the money raised by Gibraltar Capital Assets Ltd – and, for the benefit of the House, of course Gibraltar Capital Assets Ltd effectively paid £275 million to Gibraltar Residential Properties, so the holder of that money technically will be Gibraltar Residential Properties ... Coming to my question – and again we always end up with a question on this idea of cash pooling, but can the Minister advise if this £275 million is in any way ring-fenced or restricted in use by the Treasury, as the Chief Minister's office said that these will be used for stuff that will generate economic activity for Gibraltar?

So my question to the Minister is: is this money in any way ring-fenced by Treasury, whether mentally or by way of direction, and told that they cannot use this £275 million unless for a specific purpose?

Hon. J J Bossano: I do not believe there is any legal impediment to the money being used for any specific purpose in the sense that there is anything in the provision of the funding that says you can only use the money for x. It would be a matter of Government policy. Certainly from my perspective the best way to use that money is in a way that generates income, so that in effect it funds itself. Whether that happens or not remains to be seen.

Hon. R M Clinton: Well, Mr Speaker, I sincerely hope that it does fund itself.

If I may just ask one final question: in terms of the responsible officer – and just to confirm my understanding from his response that the money will be managed by the Treasury – is it the case that the Treasury are effectively responsible for this money and therefore it would come under ... the responsible officer would be effectively the Accountant General?

Hon. J J Bossano: Well, Mr Speaker, the question – Question 298 – that the hon. Member asked originally, was who is the controlling officer. The concept of the controlling officer is what there is in the estimates in a Department. The pool of money is managed by the Treasury in the same way that it has always been managed and it is not that there is a list of controls for different kinds of money depending on the source. Otherwise, what would be the use of having a pool? It is not that there is one particular named civil servant who is the one who takes the decision on how to spend £275 million and some other named civil servants who take a decision on money from another source. The money is the cash available to the Government and to wholly owned Government companies, and the availability of that cash at any point in time is used in whatever way is the most efficient way to use that cash from the point of view of managing the financial affairs of the Government and the public service.

The hon. Member has been told that the preferred option – and I would agree that that is the best way to make use of this money – is to invest it in areas where there is a return which not only meets the cost of servicing this money but makes a profit. Therefore, if the hon. Member said that that is what was indicated to him I have to tell him I would clearly think that that

290 should be the preferred option. But the preferred option can only materialise and be put into
effect if an opportunity exists to do that. Everybody who has money wants to make money, but
if wanting to make money was all that was needed then everybody would be very wealthy.
There has to be an opportunity to do it; there has to be a project or an investment possibility
that could do it. For example – I am giving the hon. Member examples and I do not want him to
295 read into things something I am not doing; I am trying to make him understand – I explained to
him before the decision that was taken that Credit Finance should be the one that did the joint
venture on Shell LNG. It could equally have been, ‘Well, look, that is a profitable investment that
will give a return that is more than we have to pay on that money, so we can use the money for
doing that.’ That would be an example, but it is not a decision that was taken. I think in any
event the money was required before this was finalised and, from the point of view of the
300 Savings Bank, we saw that as an opportunity for the Savings Bank to bring in money, which is
important because we want to be able to keep our interest rates as attractive as possible for the
benefit of local savers. I am not saying that it was something that was considered; I am giving
him an example of what might have been a possibility.

305 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Minister for his illustration of the use this
money could be put to, but I really have a very specific question. He mentioned controls earlier:
who is responsible for the control of Government-owned companies ultimately, other than
himself? Is there somebody in the Civil Service who is responsible for oversight? You talk about,
on the one side, what is in the Estimates Book, and we all understand that, but who is ultimately
310 responsible for the control of the Government-owned companies?

Hon. J J Bossano: Ultimately, Mr Speaker, the same people who were responsible in the last
15 years: the people who put us here and put him there.

315 **Hon. R M Clinton:** Well, Mr Speaker, I am sure the people of Gibraltar will be pleased to
know that their influence is still acknowledged and the fact that we are their servants.

I must ask again, and forgive me if I repeat myself: who is responsible for the control of
Government-owned companies? Is it somebody in Treasury? Is it the Financial Secretary? There
must be somebody in the Civil Service who is responsible for monitoring these companies.

320 **Hon. J J Bossano:** Mr Speaker, the hon. Member has asked that question before. It is a
question that ... As far as I am concerned, the only person who has ever asked it in this
Parliament in the 44 years that I have been here has been him.

I am here because I am responsible for the Savings Bank. I am not on the counter in the
325 Savings Bank taking money from people for debentures, but if anything goes wrong with the
Savings Bank the guy who can be sacked for it is me. The civil servant cannot be sacked – he can
be reprimanded, he can be given a warning, but he cannot be sacked – but I am liable to be
sacked and I am liable to be sacked by the people who employ me, who are the people who
have voted for me.

330 This is not something new. This is something that has been true of the responsibility you have
in Government since I have been here in 1972, and it is the responsibility that the people in the
Opposition, in all the time that I have been here, clearly understood: the division between the
ultimate responsibility, which is a political one, and the responsibility that civil servants have,
which is not a matter for which they have to be scrutinised, answered, named or identified. The
335 hon. Member has actually even asked for the names of the people concerned. Well, look, it is
not going to happen and it is not right that it should happen. If the hon. Member wants to
criticise the Savings Bank, I take the responsibility and he criticises me; and if he wants to
criticise something that is wrong with the management of the economy, then I take the
responsibility and he criticises me.

340 It does not mean that the day-to-day decisions in matters that affect the economy ... or it does not mean that, for example, the production of the statistics on which our economy depends for policymaking are done by me. I do a lot of my own work because I am used to it, having spent more time in Opposition than in Government, but the bulk of the work has to be done by the professionals that we employ. Those professionals are the same ones as when they were in Government. They are people who are dedicated people, who know their job – some know it better and others know it less well – and the work that they do ... It is simply not correct that the Opposition say, 'Well, I want to know who it is that is responsible for running this or for running that,' because responsibility rests at a political level with us, just like they have a responsibility which is political. I think that the hon. Member should understand that distinction.

350 So, ultimately it is the people who decide. If they are not content or satisfied with the management of their property, they ultimately get rid of the people who have to be voted, just like if you were talking about a private corporation. If a business is not doing well, what you would expect would be that the board of directors get kicked out by the shareholders, not that there should be a mass redundancy of the employees, although the guys who take the responsibility may not have been the individuals who were directly responsible on a day-to-day basis for running the show. At the end of the day, one sees it all the time in the private sector. People in the private sector, when a company does very badly, accept that they are the ones that the shareholders will hold responsible, even though the board of directors may not be meeting more than two or three times a year. He needs to understand that there is a parallel in the public sector and that is the parallel that where the responsibility is ... He can ask who is the individual who takes a decision as many times as he wants and the answer is going to be that I am responsible for all the mistakes that the people who work for me do.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer. I have a question on this at the end, but if you can bear with me ...

365 He mentions that no, I should not have the names of the people who are responsible for expenditure and it is not correct for me to ask, but if anybody picks up the Estimates Book – and there is four hundred-odd million or more of expenditure in here – Department by Department, at the top of each page, it tells you quite clearly: for example, No. 6 Convent Place, the controlling officer is the Chief Secretary. And it goes on and on and on.

370 All I am asking is really, quite simply, who is the controlling officer. Who is it that is responsible for making sure that the Government companies are managed? It is as simple as that. The Minister may not want to answer me. If he does not want to answer me, I am perfectly happy for him to say 'I am not going to answer you', but surely there must be somebody who has oversight of these companies who is not a Government Minister. Is that in the Financial Secretary's office? Is that in Treasury? Under which area of Government does this come under? There is four hundred and fifty-odd million here. Penny by penny, line by line, it is all accounted for and we all know who is ultimately responsible for that expenditure. We have well over £700 million going through Government-owned companies. Somebody in Government, either in the Civil Service ... must have oversight of that; and if there is not oversight, would he not agree with me that there should be?

Hon. J J Bossano: Mr Speaker, I cannot agree with the hon. Member, and it is not that I do not want to give him an answer; it is just that he does not want to accept the answers that I give him.

385 What he has just told me I told him 15 minutes ago. Fifteen minutes ago I said the terminology the hon. Member is using of 'responsible controlling officer' is a public sector concept in the Book of Estimates, where there is a controlling officer for the expenditure. I told him that 15 minutes ago. Fifteen minutes later, as if I had not said anything, he tells me what I have told him.

He says that I do not want to answer him. I try as much as I can to provide him with information and I think I go the extra length to satisfy his curiosity, but what I cannot do is restructure the way the public service operates, including state-owned enterprises and Government Departments, simply because of his ideas of how it should be, which is not the way it has ever been. It may be that one day he will be on this side and revolutionise the whole system and introduce controlling officers everywhere – presumably a controlling officer for the University and a controlling officer for the Gibraltar International Bank, who are also owned by the taxpayer. But what he is asking now ... The answer is there is no such thing as a controlling officer.

The pool of money is controlled by the same people in the Treasury who control the pool of money. When money is spent on the basis that it has been approved by Parliament, there is a controlling officer because the Parliament, which has approved the expenditure of that money, is informed of who is controlling the money that they have approved. If a Government company tomorrow decides to buy a typewriter, he does not need a controlling officer to buy the typewriter, because the mechanism of a commercial company, even if the shareholder happens to be the state, is not the mechanism of a Department. Maybe if Departments were more like private sector companies and they did not have so many controls things might be done more efficiently and less expensively, but all these controls that they have do not exist in state enterprises here or anywhere else. They have never existed before, and we have had state-owned companies going back to the ship repair yard in the 1970s.

At the end of the day what the Member wants me to do is to say to him either I am not prepared to tell you who is the controlling officer or I am prepared to tell you who is the controlling officer. I am telling him that the concept of a controlling officer is totally alien to the commercial structure. It is an invention of the public sector in a situation where the Parliament says 'I have approved £1,000 for photocopying paper', and the controlling officer makes sure that the £1,000 is for photocopying paper and not for writing pads. In a company you decide if you want writing pads or whether you want photocopying paper, and the guy who decides is the guy who is going to use it. He does not have to go through a line or chain of command, nor is there a paper trail which passes through God knows how many stages.

I have explained that to him before. I have explained to him the problem we have in providing any information, given the length of time between the action taking place and the record of that action taking place in the inputting. I have said to him more than once this is a system that needs to be modernised and reviewed but it is a system that has been there a very long time and the inputting takes ages after the event. Therefore, if I say to him 'How much has been spent today?' I know while I am saying it that the figure I am saying is wrong.

So I am not withholding information; I am trying to explain to him they are two different concepts, two different structures and two different ways of carrying out what is ultimately money that belongs to the public, because it is not just taxpayers' money – if a company makes profits, this is not taxpayers' money; it belongs to the citizens whether they pay taxes or not, because ultimately they are the owners and we are what would be the equivalent of the board of directors if there was the same kind of structure. So we have got a role that we play in the Government and a role that we play in Government companies at a policy level, and what we are doing is using civil servants because, frankly, it would cost more if you had all the administration of the companies done by other people in addition to the people we have got in the Government. So it makes more sense to do ...

Before it was introduced by the GSD, the concept of pooling it was not done. It was much more cumbersome and much more expensive and much more rigid. There were vertical lines of decision making, and if you needed to spend money on one thing you then had the situation of how do you go about the machinery of transferring money from one company to another. If you put all the money in one pot, then in effect you are able to do much more efficient management of that money. For example, if somebody needs to borrow money and somebody has got money to lend, it makes more sense that they all draw from a common pool than that one should be

depositing money in the bank and another company should be borrowing from that bank as an overdraft – and then the bank is actually giving money to one company using the money of the other company. Those kinds of things used to happen in the past. I think whoever it was who advised the Government after 1996 came up with this concept and it is a concept that has worked for many years; I learned about it on that side, not this one.

Hon. R M Clinton: Mr Speaker, if I understand the Minister correctly, effectively what he is telling this side of the House, or just me, is that the concept of the controlling officer is irrelevant in this discussion in respect of this £275 million because it is through a Government-owned company and, as such, there is no controlling officer that would normally be associated with the numbers in the Estimates Book. I would just like the Minister to perhaps, if he could, confirm to me that effectively, as I understand it – and this may be blindingly obvious – everything that is a Government-owned company, anything that is not in the Estimates Book, is not subject to the Public Audit Finance and Control Act and is therefore beyond the scrutiny of this Parliament.

Mr Speaker: This is the last supplementary that I am allowing on this particular issue of controlling officer. The two hon. Members have been at it for 25 minutes on the same supplementary. It is going beyond the pale. It is a kind of situation that I do not think is contemplated in any parliament; I do not think it happens. Of course, we no longer have a question and an answer; what we now have is a discussion going on for 25 minutes, and here the rest of us are as if there was nothing else in the world that is important, as if that was the sole issue that this Parliament meets to debate.

I have been very liberal, I think, very patient, but there is a limit. There really is a limit on this specific issue of the controlling officer or the lack of controlling officer. I am not curtailing the hon. Member's supplementaries on any of the other questions, because they have all been answered together; but on this issue yes, because I think the Minister has given exhaustive answers and now the hon. Member is asking the Minister to confirm whether his understanding of those exhaustive answers is not ... Honestly, look, there is a limit and we have come to the limit.

Whether the Hon. the Leader of the Opposition likes it or not, I think he must give me credit that we have been 25 minutes on just one simple issue, and surely that is a liberal application of the rules by any concept other than a biased one. *(Laughter)* Okay?

Now, the Hon. Mr Clinton has the floor based on what I have told him.

Hon. D A Feetham: Mr Speaker, may I? I just had –

Mr Speaker: You do not have to intervene! The Hon. the Leader of the Opposition thinks that every time I intervene –

Hon. D A Feetham: No, I don't.

Mr Speaker: – he has got to intervene in order to bring me to order, as it were. *(Laughter)* He does not have to. It is a matter between the Hon. Mr Clinton and me as Speaker only. Yes! It has got nothing to do with you as Leader of the Opposition! You have not asked a question; he has asked the question. He has had the floor for half an hour this morning, half an hour this afternoon, and it goes on. And that is it! *(Laughter)*

Hon. D A Feetham: No, Mr Speaker –

Mr Speaker: Yes!

Hon. D A Feetham: Yes, it does have something –

495 **Mr Speaker:** You have the floor.

Hon. D A Feetham: Thank you very much. Yes, it does have something to do with me. I was going to just ask Mr Speaker's leave to ask one supplementary question. *(Interjection by Mr Speaker)* That is all! I did not want to say anything else. *(Interjection by Mr Speaker)*

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

Mr Speaker: I will, of course, allow you one question, but I will not allow you to query what I have told Mr Clinton –

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Hon. D A Feetham: I'm not querying anything!

Mr Speaker: – because I think I am entitled to point out to him that he is abusing my liberality in respect of the Rules of the House.

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Now I will allow Mr Clinton supplementaries on other matters. I will allow the Leader of the Opposition his supplementary if it is that he wants additional information or any other issue arising.

Hon. D A Feetham: Just on this issue, yes?

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Mr Speaker: On this issue?

Hon. D A Feetham: That he has not answered – or do you want to hear mine first?

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Hon. J J Bossano: I have had a question from the hon. Member which is not really a question; it is an attempt to set a trap for me – and he should know me better than to think I am going to walk into it.

I am not here to tell him what he should make or think or interpret from what I have said; I am here to give him information. He says, 'Having heard everything, can the hon. Member confirm that that means that we have not got enough scrutiny, or we have no scrutiny of this Parliament, of the money that is spent through the Government companies?' Well, the answer is that when there are in this Parliament 17 Clintons, then no doubt that interpretation would be correct, but when there is only one Clinton in the Parliament I doubt that that interpretation would be correct.

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Mr Speaker: And when there are 17 Clintons, perhaps the Speaker will have to be a Clinton as well! *(Banging on desks and laughter)*

Hon. R M Clinton: Alas, Mr Speaker, Hilary didn't make it, but never mind! *(Laughter)*

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The House will be relieved to hear that I have nothing further to add.

Several Members: Hear, hear. *(Laughter and banging on desks)*

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Hon. D A Feetham: Well, Mr Speaker, that is the first time that I hear enthusiasm from the other side at a Member on this side saying he has no more questions. That is no doubt because he has been extremely effective *(Interjections and banging on desks)* in the way that he has conducted the questions this afternoon.

Mr Speaker, I have a slightly different angle related to this. I have found the hon. Gentleman's answers very helpful. Can he confirm that really what he is saying is, in a sense, is this: the companies that are spending this money have their own board of directors – it used to be the Chief Secretary, the Financial Secretary and a couple of others; now it is actually

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corporate directors, there is a corporate director – but what he is saying is, irrespective that the companies have their own directors, really the decisions about how the money is being spent are made by the Government, because the Government is making those decisions. The day-to-day running may be done by the directors but it is the Government that makes the decisions as to how that money is being spent in that pool contained at Treasury.

Hon. J J Bossano: I have no doubt that it was so in the four years that he was in government and I have no doubt that it was so in the 11 years before he was in government, when the party that he leads was in government. And I can tell him it was so in the eight years when the GSLP was in government, and to my knowledge it was so between 1972 and 1988 when the AACR was in government. So, if he is asking is something new happening that has never happened before, the answer to that is no. If he is asking, is it the case that the people who are on the board are appointed to that board because they have senior positions in the Civil Service ... And he is right in saying it is a corporate entity, but let's be clear. It was explained, I think, to him previously that the decision is that, in order to be able to facilitate any change of directors in terms of individuals, the corporate identity, which will be Gibraltar Government Directors is the corporate entity – or GDC Directors is the other corporate entity ... Instead of having to change a director in 20 companies, you change the director in that corporate entity and automatically you change it in the whole of the companies. That was the rationale that was proposed to us, we thought it was a good idea and we said to go ahead and implement it.

The policies of all the Government companies, like the policies of all the Government Departments, are policies taken at the political level, for which we are responsible. There is no question about that; it has always been like that and it will always be like that. It is not the case that, because it is a company structure, the company director can decide to go on a jaunt and spend the money of the company without reference to anybody else. But this is not something that is new; it has always been like that.

Mr Speaker: Next question.

Q302/2017
Ship repair industry –
Apprenticeships

Clerk: Question 302, the Hon. D A Feetham.

Hon. D A Feetham: Can the Government state how many apprentices undertook apprenticeships in the commercial ship repair industry in Gibraltar in each of the calendar years ending 31st December 2012, 2013, 2014, 2015 and 2016; and how many of them have been kept on after completion of those apprenticeships?

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

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): Yes Mr Speaker, the number of apprentices in ship repairing have been: 2012, 10; 2013, eight; 2014, seven; 2015, two; and 2016, four. Thirteen apprentices have completed the training and been taken on by Gibdock.

Hon. D A Feetham: Mr Speaker, there appears to be a trend of downward recruitment of apprentices within ship repair from 10, going down to two in 2015 and four in 2016. Does he

know why there is this particular trend? Has he himself enquired? I know this is a particular question that he used to ask from the Opposition benches when he was on this side of the House, so I take it that he has continued to take an interest in this area from the Government benches.

Hon. J J Bossano: Well, there is a difference in respect of what happens now and what happened then when I was on the other side, because now we only take the apprentices on the basis that the company tells us that they are going to be employed. Before, people went and did an apprenticeship ... I remember one particular ceremony, because in those days there used to be a ceremony where the Minister went along to hand the people the Level 3 certificate, and when he gave the Level 3 certificate – I think it was Mr Montiel – a couple of the apprentices said, 'Okay, thank you very much for the certificate, but now, next week I am on the dole,' which got more publicity, as one can imagine, than the certificate ceremony had had in any other year.

The argument that we had pursued from the Opposition is the policy that we have adopted in Government, which is that we train people for jobs; we do not train them for acquiring skills and then hoping that there will be a vacancy somewhere and that somebody will employ them. I think there is a rationale to that policy. I think people need to understand that although it is normal in countries, in Spain or in the United Kingdom, for people to be trained in a particular trade even if there is no demand in the area where they live, there is a reason for it. You can be trained in the town next door to be a carpenter and finish up in Barcelona working as a carpenter; but in Gibraltar, if we analyse what the labour market wants, then the logic is that we train people for employment – we do not train them to be unemployed and then after the training the guy comes back and says, 'Why have I wasted three or four years of my life and then I am on the dole and I have to finish up doing something else and not what I have been trained to do?'

So the reality of it is that this is driven by two factors: it is driven by what the company tells us they are willing to employ and by the availability of candidates willing to do the jobs for which they will be trained. Just like there is a level of deficiency in a system which just trains people and then hopes they get a job, there is also a situation where some people will go into training simply because they are out of work but not because they have got any intentions or interest in staying there.

I can tell the hon. Member, for example, that in welding and fabrication, which are two of the fundamental skills, it is difficult to get candidates who want to learn those trades if the answer is that when they finish they will have to work in Gibdock. There are people who have done the trades in the past and then finished not ... in the past, given that the Government finances the whole thing ... Look, in terms of Gibdock there is no expense in this. The Government meets the cost of the training and meets the pay of the trainees, so now that they are being told, 'You have to tell us if ...' This year, for example, I think we could only find four suitable candidates and they were willing to take on six, but of all the many people – something like 40 or 50 people – who were interviewed because they were interested in an apprenticeship, when they found that the apprenticeship was not going to lead to a job in the Government sector but lead to a job in Gibdock, then they were not so keen to take it on, so ultimately we finished up with four candidates, who have already started.

I think the important thing is that all the 13 candidates that completed were all taken on, but the ship repair yard is a commercial entity and if they feel that the candidates they take on in Gibraltar tend to form part of their permanent workforce, which is something like a hundred – whereas when they have got a lot of work they may go up to two or three hundred, and they bring in workers when there is a peak and they downsize when there is no work – it is that core of a hundred jobs that is the one we expect to be filled locally if there are people who are wanting to do that kind of work. But there is no particular reason or reluctance of the company to take the people on because we made that a necessary part of us financing it.

We are now making it more attractive than it used to be before 2011. People would get three or four hundred pounds a month and now we are giving them about a thousand. So, from the point of view of our apprenticeships, I think in the United Kingdom they get about £2.50 an hour, or £3; here, they are getting the £6.28 from the age of 15. So they can go in at the age of 16, and provided ... Like our own Construction Training Centre, we tend to not ask for academic achievements before you go in. We just give people the basic literacy and numeracy test, because really what we want to do is provide an avenue for the children who come out of schools who have not got qualifications and therefore they are the ones who tend to have less opportunities in life, and those are the ones we want to attract into the apprenticeships. Therefore, in the area of construction we are not as demanding and there is more of an involvement by the instructors in helping people to make the level that they need to make to get their Level 1 and their Level 2 – and in the construction industry, as Members know, the construction trades accept a Level 2 as a craft level, whereas in the mechanical trades it has to be a Level 3. But there is no difficulty in having more, subject to the fact that there is a maximum because of the number of instructors and the facilities that there are in having more.

The other thing is, of course, that I have answered the question based on Gibdock and on the ship repairing trade. The hon. Member knows that that does not mean that these were the only people who were training. There were people training ... For example, we introduced, a couple of years ago, motor car mechanics, which did not exist before, and now that there is that choice some people say, 'Well, I don't want to be working in a shipyard – I would rather be a motor car mechanic.' So they have got other options that were not there before. But I cannot think of any other specific reason.

Hon. D A Feetham: Mr Speaker, that was a very interesting answer, and in fact ... I am going to ask a supplementary, but if I may say so the answer that he has provided about UK trainees being paid £2.50 an hour basically also adds justification for the argument that I used to put to the hon. Member that trainees are not employees and that is why we never counted them as such in the unemployment list, which is the position in the United Kingdom. That is why actually they were able to be paid £2.50, well below the minimum wage. The United Kingdom government, or the local authorities, would have been in breach of the law if it were otherwise.

But, Mr Speaker, out of 31 trainees in the last five years only 13 have been employed by Gibdock. In fact, that actually compares in the same period more or less to the position that it was when the GSD was in government and the hon. Member was asking questions about this. Does he therefore now accept that, really, having attempted to incentivise the taking on of trainees by paying more, so therefore making it more attractive to the trainee, and indeed paying for the training rather than have the company pay for the training, the reality is that really this is led by the employer and there appears to be very little that the Government can do to increase these numbers, which was one of the answers that Mr Montiel used to give him when he used to ask Mr Montiel this very same question when he was in Opposition? And if not, does the Government have any plans to try and further incentivise this particular company to increase the employment rates, which at the moment is well below 50% of those trained?

Hon. J J Bossano: Mr Speaker, not everybody completed the course. The hon. Member asked me how many people completed their training and the answer was 13, and how many people had been taken on and the answer is all of them.

Hon. D A Feetham: I understood 31 had completed their training.

Hon. J J Bossano: Thirteen completed their training. For example, in 2015 we had five who completed and the five were employed.

Hon. D A Feetham: Mr Speaker, he said to me in 2015 two were trained.

695 **Hon. J J Bossano:** No, Mr Speaker, in 2015 two were training and five stopped training because they completed and were employed. So in 2015 two people were left still training after five people had stopped training because they had got their Level 3 and Gibdock took them on.

So the answer is that of the people who have been in training, of the ones that have completed, all the ones that have completed have been employed by Gibdock, which is the result that was not happening before. I have given him the example of what happened – he may remember the occasion – when there was a ceremony where they were given the certificates and there were two trainees who stood up, put up their hands and said, ‘This is all very well, I have got a piece of paper, but next week I have to go to the ETB and sign on as unemployed, so what have you trained me for?’ What we were always urging was that the training should be based on the knowledge that there was a job, particularly when you are in a specialist area. If you are training somebody to be ship repairing and there is only one ship repair yard, short of going to Lisbon or Cádiz, where does a guy go? Some skills are transferrable, but not all of them.

What I am saying to him is that if the intake we have got is driven by the numbers that Gibdock tells us they will ... This is future planning. They have to commit themselves three years ahead and say to us that in three years’ time, if the trainee has passed their Level 1, their Level 2 and their Level 3, there is a job for him. This year they told us there would be a job for six at the end of three years and we were not able to produce six candidates interested. There were candidates who were interested in other things – people wanted to be electricians or car mechanics, or other things, but not working on ship repairing, which is a demanding job, as anyone knows who has been involved in the dockyard in the past. Therefore they took on four, because we could not produce six that would meet their criteria. They interview the candidates and they require a certain level, because they say they are only interested in candidates, from their perspective, who they judge have a good chance of being successful and not drop out in the middle of it.

So the answer is that we have made it more attractive by increasing what we pay, but of course the fact that we make it more attractive does not necessarily mean that people are willing to work in a shipyard simply because we make it more attractive. People will say, ‘Well, no, if the end result of my training is that what I can do is work in a shipyard,’ and that is why I told him that it was the welders and the metalworkers were the grades where they recruit people and where we have difficulty in supplying sufficient trainees.

But what I can say is that I have given him the people who were in training and I have given him the total, which is what he asked me for, of those who had completed their training; and as an example I have said to him that in 2015 there were two people still training and five people who finished, and the five who finished were all taken on. That is the last intake into employment. The last cohort that finished training and were given a job by Gibdock was in 2015. The people who are in 2016 are still in the middle of their training, and there is a new intake in 2017.

Q303/2017

Lift contractors – Official contractors list

Mr Speaker: There remains one question on the Order Paper directed to the Hon. Mr Bossano. The Hon. Ms Hassan Nahon.

Hon. Ms M D Hassan Nahon: Can the Government explain which lift companies were removed from the official contractors list by this present administration and which companies remained?

740 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunication and the GSB.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): None, Mr Speaker.

745 **Hon. Ms M D Hassan Nahon:** Mr Speaker, from my information there have been companies that have been removed, but obviously I have to take the answer from the Hon. Minister at face value and perhaps will revisit this question at another point in time.

750 **Hon. J J Bossano:** Well, none have been removed by the administration. There may be people who have said they do not want to be on the list anymore and they have been removed at the request of the person, but nobody has been removed and nobody has left. The list has only got longer since 2011; it has not got shorter.

755 **Hon. Ms M D Hassan Nahon:** Can I ask whether Government has been using any lift companies more often than others or favouring any lift companies in particular?

Hon. J J Bossano: It is a very long list, Mr Speaker, because she is asking 'official contractors list'. The official contractors list that we inherited consisted of construction companies, cleaning companies and security companies, which were the three areas that in 2010 were introduced when the previous administration said they were going to put a list where they were making it a requirement that anybody who wanted to be an official contractor to the Government had to commit to taking on people from the unemployment list. And in fact, as I have explained before in Parliament, maybe before the hon. Lady was here, one of the elements in that requirement – and quite extraordinary, and I have never seen anything like it in other jurisdictions, was that it is one that was only on paper; it still is on paper, but I do not think it has ever been actually enforced – was that not only did they have to take the client that was submitted by the Employment Department but they could not terminate the contract of that employee without the permission of the Government. That clause is still in the approved contractor list conditions. It was there from 2010 and it is still there. I do not think anybody has tried to enforce it. I am not sure to what degree it is enforceable, but I can tell the hon. Lady that the initiation of that list was the system that has continued since then and what has happened since then is that we have expanded it to other areas.

775 Recently, when my friend Neil Costa was involved, we agreed that we would be extending it to other areas because there is no logic why some Government contractors should be subjected to those requirements and others not. So now what we do is we make sure that all the contractors are subject to the same conditions.

In the case of, for example, the construction industry, it also affected the subcontractors, so that in some cases you have had a situation where you have subcontractors ... and there, there are some companies that have been removed, but not because of a decision on their removal but because their inclusion in the list was with a fixed date or with a fixed project. So, for example, if we had people who were subcontractors on the marina, when they came in they were put on the list and then in the conditions of their addition to the list was that they would remain on the list, because they had been brought in to do the marina, for as long as they were doing the marina, and then when they finished the marina they would be removed from the list. This is partly to protect local businesses; otherwise, you would have a never-ending flow of new competitors coming into the market. If there is a specialist that needs to come in to do something, normally they are put on the list and their place on that list is conditional on their still being engaged in the work for which they were brought in; or, where there is a known date, then the date is put in. If something has got to be completed by a specific date, then they are an

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approved contractor up to that date. Alternatively, they are an approved contractor until the project is finished.

So those people fell off the list automatically. It was not that they were required to be removed, because their original inclusion was for a limited period. But other than that, the list
795 has only changed by having more people in rather than having less.

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Hon. Minister for that detailed answer and I am grateful.

My question arose from the fact that, out of the new buildings and housing estates that have
800 been completed, overwhelmingly there is one lift company that tends to be servicing and providing these lifts. So my question was in relation to whether there was in fact fair competition, whether other lift companies were tendering, or whether there was one company that was effectively taking over the new buildings and estates.

Hon. J J Bossano: The lift companies, Mr Speaker, were not on the original list when we came in, and of course given that the lift companies that I know of employ nobody here, indeed it was necessary, for the maintenance of the lifts, to call somebody in Madrid to get somebody from Algeciras to come here and repair the lifts. I do not know how the people caught in the lifts felt about that arrangement, but that was the arrangement that existed.

It may well be that those companies feel that they are not being as well treated nowadays as they were before 2011, but we believe that it is important to give an opportunity to train locals in the installation of lifts and in the maintenance of lifts and not to be in a situation of total dependence on people who are detached workers. They were not even Frontier workers. They were workers who were employed in Spain, posted to Gibraltar when a job needed to be done,
815 paying their social insurance in Spain, and certainly with the Article 50 Notice that we have had today it makes it even more important that we look to having a home-grown industry in that area. But at the time there was no inclusion of these companies on the approved contractor list and therefore it was not that we were breaking any conditions – there were no conditions attached. They did not have to employ anybody and they did not have to pay anything.

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Hon. Ms M D Hassan Nahon: Thank you once again. So then, there is effectively an admission by the Minister that home-grown companies and the work that they are producing means that effectively they get favoured for contracts.

Hon. J J Bossano: When the work is given it is given with the criteria that there has to be the quality, the reliability and the most effective price or value for money, but I make no apologies for putting the interests of Gibraltarians and Gibraltar first – no apologies. And I am sure that her Dad would not either.

Hon. Ms M D Hassan Nahon: Mr Speaker, thank you. I have no doubt that his intentions – as, he claims, my father's too – are for the best for Gibraltarians. That was never my question. My question was whether there was some sort of favouring for one particular company, which, it seems there has been an admission of that. The reasons behind it is a different debate, possibly.

Hon. J J Bossano: Mr Speaker, if I want to say something I do not insinuate it, so if she thinks she has discovered that I was subliminally making an admission of something ... I am quite happy to stand up for the beliefs that I have without insinuating something or other.

I have told her that the selection has been on quality and on price. I have to tell her that when it comes to fair and unfair competition I think that not having to have people employed in
840 Gibraltar and being able to bring people in from outside Gibraltar may be unfair competition against a local company, and therefore the local company is not getting preferential treatment if they have to comply with things in Gibraltar and their competitors do not.

Certainly I can tell her that I think the position that existed where the competition was between two companies, both of which employed nobody here, contributed very little and in terms of multiplier effect in the economy was not satisfactory. Notwithstanding that, they have not been debarred from competing and putting in tenders. I can tell her also that their tenders have been lower since we have had a local competitor than they were when they held a monopoly – but in spite of that, nobody has been given favoured treatment, although there are plenty of reasons to justify it.

**Suspension of Standing Order 7(1)
to proceed with Government Statement**

Mr Speaker: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with a Government Statement.

Mr Speaker: I now propose that the Standing Order cited by the Chief Minister be suspended in order to allow him to make a Statement. Those in favour? (**Members:** Aye.) Those against?
The Hon. the Chief Minister.

**Activation of Article 50
of the Treaty of Lisbon –
Statement by the Chief Minister**

Chief Minister (Hon. F R Picardo): Mr Speaker, all hon. Members will be aware of the statement by the Prime Minister, the Rt Hon. Theresa May, in another Parliament earlier this afternoon. At 1.30 p.m. Central European time the Prime Minister has informed the House of Commons that she has formally written to the President of the European Council activating the operation of Article 50 of the Treaty of Lisbon in respect of the United Kingdom's membership of the European Union. The United Kingdom's Permanent Representative to the European Union, Sir Tim Burrow, has already delivered the letter to the President of the European Council, Donald Tusk.

I can assure the House, Mr Speaker, that we have considered in the Joint Ministerial Council aspects of that letter and on the tactical and strategic aspects of what it should or should not contain in relation to Gibraltar specifically. Although the letter does not mention Gibraltar specifically, it does cross refer to the White Paper published in February this year which dealt with Gibraltar issues. Another White Paper, to be published tomorrow, will also be relevant to Gibraltar.

The Prime Minister has moreover just answered two questions in Parliament about Gibraltar arising from her statement, confirming specifically that Gibraltar is a specific part of the multilateral negotiation she will lead with the rest of the European Union. She has also stated explicitly that she and her government are absolutely and steadfastly in support of Gibraltar and its people and economy. She has also confirmed on the floor of the House her government's commitment to continue to work closely with the Government of Gibraltar as the negotiations develop.

Mr Speaker, Gibraltar has been a part of the European Union and the application of the treaties establishing the European Economic Community and the EU since this House, in

December 1972, voted to give effect to the provisions of the Treaty of Rome through the passing of our European Communities Act.

Article 355(3) of the Treaty Establishing the European Union makes specific provision for the application of the treaties to a territory for whose external relations a member state is responsible. Gibraltar is constitutionally such a territory. Since 1973 our constitutional position has nonetheless developed and now, although a matter may be related to the relationship with the European Union, such a matter will not be outside the constitutional competence of Gibraltar if it is otherwise a matter for which Gibraltar holds competence. This withdrawal, Mr Speaker, is therefore a matter of constitutional significance for Gibraltar. The 2006 Constitution provides in section 47(3) as follows:

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

Our membership of the EU is also based on a number of derogations from the full application of the European *acquis communautaire*. Those who negotiated our membership for Gibraltar in 1972 managed to secure for us terms which have stood the test of time and led to a remarkable level of prosperity in Gibraltar in the 30 years since the opening of the Frontier with Spain really allowed us to trade with the rest of the EU. Mr Speaker, I reflect at this moment of commencement of our withdrawal from the European Union, therefore the gratitude of the generations of Gibraltarians that have followed to those of the AACR and IWBP who were responsible for those negotiations and those decisions. Former Chief Ministers Sir Joshua Hassan, Bob Peliza, Joe Bossano and yourself, Mr Speaker, were Members of the Parliament that took us into the European Economic Community. With you were also former leaders of the Opposition Peter Isola and Maurice Xiberras. The decisions made then now fall to be analysed as we make decisions about the future direction of trade in and from Gibraltar.

Our Brexit Select Committee will now soon start its work as the negotiations commence to analyse the choices we should make for today and for the future. The world today as we leave the European Union is a different place, Mr Speaker, to the world that saw us enter the EEC. Today Gibraltar has access to the United Kingdom market in financial and other services, where we do 90% of our business. That access has been guaranteed going forward as a result of our negotiations with the UK in the aftermath of the result of the referendum. Today the globalised economy and the virtual economy provide opportunities for Gibraltar beyond its immediate geography. In that respect, Mr Speaker, we will be working to ensure that we open up access for Gibraltar to markets around the world. Today the UK is already considering trade deals with the world beyond the EU. Those deals will also likely include access for Gibraltar to such markets as the United Kingdom does trade deals in coming years.

Mr Speaker, considerable work is being done by the Government with the relevant departments of the government of the United Kingdom to ensure such access is secured. We know that those markets are likely to include nations of the Commonwealth and the United States. With those nations we share perhaps much greater affinity than we might with some of the nations with whom we were in partnership today in the European Union. Bonds of language and the common law create synergies which may yet provide a more interesting market for those operating from Gibraltar than some nations of the EU have done to date. We look forward to having access to those markets in future. Indeed, we are in fact cautiously optimistic that we will be able to grow further and prosper even more in the future than we have in the past in the context of access to those new markets.

Mr Speaker, I can inform the House this afternoon that after the Prime Minister delivered her message to the Commons I have spoken to the Parliamentary Under-Secretary of State for Exiting the European Union, Robin Walker MP. I have once again been directly assured by Mr Walker that the government of the United Kingdom will continue to ensure that we are fully

involved and Gibraltar's priorities are fully understood and fully taken into account as we enter the process of negotiations with the European Union on the UK's departure.

935 He has further assured me of the understanding there is on the part of the government of the United Kingdom of Gibraltar's key interests in maintaining market access to the UK in key sectors and in the UK's double lock on sovereignty. Indeed, all hon. Members will be aware of the tenor and content of the Minister's statements when he was in Gibraltar. The double lock commitment, Mr Speaker, has been repeated by the Prime Minister a moment ago in respect of her answers to questions in Parliament this afternoon.

940 Hon. Members will also have noted the statements made by other member states about the United Kingdom's withdrawal from the European Union. The recent statements from the Kingdom of Spain in particular suggest areas of common interest and concern. Speaking last week on Radio Nacional de España, the current Spanish Foreign Minister, Sr Dastis Quecedo, said that he believed Spain was going to have a constructive attitude to Gibraltar because they
945 had an interest in the prosperity not so much of Gibraltar but of the Campo. He added that the region would be one of Spain's priorities.

In a parliamentary response to a written question filed by Salvador de la Encina, who is a friend of the Campo region and a representative of it in Madrid, in the Spanish Cortes, the Foreign Ministry has said the following:

The possible consequences of the departure from the European Union of the UK on the Campo and Spanish workers in Gibraltar will depend on the terms on which the UK leaves the EU.

Amongst the priorities of the Government in this respect in particular is the defence of the interests of Spanish citizens and companies that operate in Gibraltar, with the objective of avoiding that they should be prejudiced by this process.

... Spain will direct its efforts to obtaining favourable conditions for our workers, in terms of free movement and in preserving their social security acquired rights and rights in the process of being acquired, in the context of opportune negotiations with the other side and in agreement with the rest of our Community partners.

950 Speaking to Frankfurter Allgemeine Zeitung, Sr Dastis also specifically confirmed on Monday that Spain is *not* looking to impose punitive measures on Gibraltar and neither is it going to close the Frontier with Gibraltar. He confirmed the Frontier will remain open, that the controls will remain as they are now and subject to such control as there may be on the EU's external borders.

955 It bears saying these things, which should be obvious, Mr Speaker, because we have heard some other things in the past from others. Indeed, we have heard many other discordant voices from the past say more outrageous things, but the position of the Spanish government now is increasingly clear and we have some common concerns and interests.

960 This is a serious time and serious matters affecting the lives of people who live in Spain and work in Gibraltar are at stake. This is not a time to inflame or shout at each other in the headlines; it is time to work to deliver solutions that work for cross-Frontier workers, the tourists who create a large number of their jobs and the children who cross the Frontier every day.

No doubt every Member of this House will welcome the statements that suggest that the government of Spain is also seriously concerned to ensure continued Frontier fluidity in the future. On this, however, all will consider that the jury is out, given their track record in the past.
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Gibraltar, for its part, certainly will be working to ensure continued Frontier fluidity, and with full constitutional power to determine matters related to immigration, we will be able to guarantee access to Gibraltar in future on an unimpeded basis, because Her Majesty's Government of Gibraltar continues to believe that Gibraltar is an important economic engine for
970 the whole of the Campo region, which delivers benefits to citizens on both sides of the Frontier. We can continue to do so even after the UK leaves the European Union. We also recognise a moral responsibility to those European citizens who are established in Gibraltar. We will be willing partners in ensuring their continuing ability to live amongst us, even though the position may be different for those settling after we leave the EU.

975 We will approach all aspects of the discussion about the future relationship with the EU in the spirit of sincere co-operation which the treaties require of existing members of the EU.

We want to see people's lives as unaffected as possible by this process. We will work to avoid disruption to all citizens, in particular those who have to cross the Frontier to work or for any other reason. In this respect, Mr Speaker, we welcome the Prime Minister's statement seeking
980 that the United Kingdom's withdrawal from the European Union should be fair and orderly.

Mr Speaker, today is undoubtedly a sad day for Gibraltar. It is not the result we wanted from the referendum. Today is a day when we must be ready to work to turn sadness into optimism and hope. It is a day when we embark on a process we did not choose but are determined to make a success of.

985 As the United Kingdom looks to establish itself as a truly global Britain that reaches beyond Europe, so do we the British people of Gibraltar look to establish ourselves also as a nation with commercial relationships well beyond Europe and in partnership with Britain.

We are a resilient and entrepreneurial people. We will rise to the challenge. We will deliver a prosperous, outward looking, global British Gibraltar living in peace with its neighbours and we
990 will thrive as a people as we adapt to the new realities of post-Brexit trade and adopt its myriad opportunities, because one thing must be clear to everyone beyond our shores: our affections as a people are not for sale. Our sovereignty is not in play. Our future is British now, during and after this process. Let no one think we are a bargaining chip. Gibraltar will be no one's bargaining chip. We will be no pawn in Brexit and we will be no victim of Brexit. As far as we are
995 concerned, this day brings us nothing to celebrate, but it also brings us nothing to fear and everything to fight for, because the stark reality is that in 720 days the United Kingdom will likely no longer be a member of the European Union, and Gibraltar out of Europe will be closer than ever to a truly global Britain. *(Banging on desks)*

1000 **Mr Speaker:** The Hon. the Leader of the Opposition.

Hon. D A Feetham: Mr Speaker, may I start by associating myself with the words of the Chief Minister. It is indeed a sad day for Gibraltar. It is not something that Gibraltar would have wished, and indeed the vast majority of the people of Gibraltar voted against this outcome
1005 during the referendum last year.

Mr Speaker, it also is a momentous day – a momentous day for Europe, a momentous day for the United Kingdom, and of course a momentous day for Gibraltar itself.

The Opposition remains cautious and it will remain vigilant in relation to the next two years and the developments and water that must pass under the bridge – and a lot of water I envisage
1010 will indeed pass under the bridge and we must remain very vigilant indeed.

The first time that I rose in this House to deliver a speech post the referendum result I said to this House that the priorities of Gibraltar needed to be fourfold, and I, and certainly this side of the House, will remain of that view. Gibraltar needs to aspire to continued access to the UK market; new access to any trade agreements negotiated by the United Kingdom; any access
1015 negotiated by the United Kingdom for access into the single market; and above all, in our view, a workable, sensible, reasonable agreement in relation to Frontier fluidity.

Mr Speaker, from our own conversations with the Parliamentary Under-Secretary, Robin Walker MP, the message emanating from the United Kingdom in relation to the first of those two – access into the single market – and also inclusion of Gibraltar in any agreements that are
1020 negotiated with third party countries by the United Kingdom ... Mr Walker was extremely positive in his message and confident that the United Kingdom would be able to deliver in relation to those.

In relation to access into the single market, in this regard Mr Walker also drew a distinction between membership of the single market, which perhaps the United Kingdom is not pursuing,
1025 but access into the single market, which the United Kingdom is certainly pursuing.

In relation to Frontier fluidity, although the message emanating from the United Kingdom is that it would do everything that it can in order to ensure that we come out of at the end of this process with something that Gibraltar will be able to live with, and that Gibraltar will be able to continue to prosper, and that the United Kingdom will do everything that it can in order to ensure that we do form part of, for example, any agreement for access into the single market.

Mr Speaker, that is where I believe, and certainly on this side of the House we believe, that the fight, if there is to be a fight in those negotiations, that is where it is going to be, because of course that is where our neighbours to the north, Spain, will be able to exert its influence in relation to any possible agreement emanating between the United Kingdom and Europe. And yes, while we welcome the restatement by the Prime Minister this afternoon of the double lock guarantee, an undertaking provided to the people of Gibraltar, and whilst we also welcome the statements made by the Spanish Foreign Secretary in relation to the Frontier, we must remain extremely vigilant about this because of course the view of one Foreign Secretary at this moment in time in Spain may not be the view of a different Foreign Secretary at some other point in the future. And in the same way as Mr Margallo made all those outrageous statements not long ago when he was Foreign Secretary, of course it is always possible that some other Spanish Foreign Secretary will continue to make those outrageous statements and will continue with its policy of unfriendliness, to say the least, in relation to Gibraltar.

That is why, Mr Speaker, it should not be acceptable to the people of Gibraltar and to Gibraltar for there not to be an agreement that deals with Frontier fluidity. In other words, it should not be acceptable to have a default position of Spain and the United Kingdom reaching an agreement in relation to everything else but remaining silent in relation to the Frontier, because to remain silent and for there not to be included within any such agreement anything on the Frontier always leaves us open as hostages to fortune in the future should there be a

Mr Speaker, I end by saying that the Opposition ... and certainly it has been my policy since I have been Leader of the Opposition in 2013 to offer to work closely with the Government of Gibraltar, shoulder to shoulder, united for the benefit of this community, because at the end of the day we all have common goals which are to ensure the survival and the prosperity of this community, which must always transcend narrow political interests. And in the same way as I proposed, when I became Leader of the Opposition, for there to be meetings of the House in a motion ... I am sorry, I beg your pardon, meetings between my learned and hon. Friend the Chief Minister and myself, and his team and our team, to work together in 2013 to foreshadow what could transpire if the vote at the referendum was negative – and also, Mr Speaker, I proposed on behalf of this side of the House the creation of a Select Committee, after we knew what the result of the referendum was, in order to work together for a positive road map that assists everybody in achieving the best possible result – we maintain that policy and we are ready, willing and able to work with the Government in order to ensure that the people of Gibraltar and our future generations enjoy the same prosperity and the same standard and security of living that all of us in Gibraltar have enjoyed in the past. The sooner we set up the work of the Select Committee on Brexit the better, and I welcome, too, the Hon. the Chief Minister's Statement in that regard. *(Banging on desks)*

Mr Speaker: The Hon. Ms Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, may I too associate myself with the Chief Minister's Statement.

For many, today's events will represent a sober return to the emotions of the morning of 24th June, the day which set us all on the journey beyond our relationship with the European Union. June gave birth to Brexit, but today is its baptism and civil registration. Unlike the happy affair of christening a child, this event unfortunately will not see us booking up a local social club for drinks and tapas. If I may be permitted the indulgence of continuing with my metaphor,

unlike the birth of a child, we are not in a hugely different place to where we were nine months ago. The road ahead continues to be lined with uncertainty. In many ways we are passengers in this process and the voice of the British people has been heard.

So, Mr Speaker, here we are: it has happened. Now is the time to put everything in place. As an Opposition MP I have a role to play, but compared to the hon. Members opposite it is a minor one.

It was the Government led by my father which steered us through the early years of our democracy when we had been delivered from exodus; it was the Government of the Hon. Father of the House who, when our economic future was threatened by the MoD's withdrawal, thought outside the box and redefined our model; and it was the Government of Sir Peter Caruana which saw off the joint sovereignty proposals. Now comes a new challenge, and I daresay it falls on us all. So, once again, I offer my hand of support across the floor of this House.

I have proudly accepted the offer of forming part of the Brexit Select Committee, where over the next 24 months we will analyse and monitor the progress of the UK government in its steer, as well as devise a strategy for lobbying and pushing our agenda beyond our borders. I stand by, ready to be called upon at any moment and will also take every opportunity to promote our joint cause through the international media and my friends and contacts in the UK – for there is only one way we will get through this, and that is together.

Hon. Chief Minister: Mr Speaker, I am grateful for the statements from hon. Members opposite.

The Hon. the Leader of the Opposition has set out that there were four things that he thought we should achieve in the context of Brexit and he enumerated them as, first, continued access to the United Kingdom market; second, access to new trade agreements; third, access to – *(Interjection by the Hon. T N Hammond)*

Mr Speaker: The Hon. Mr Hammond, yes, I will give you the floor.

Hon. T N Hammond: My apologies, Chief Minister. I was just asking the Speaker if this was a debate. I was not quite sure what process we were in here.

Mr Speaker: Perhaps I should explain. When a ministerial statement is made the Rules provide for questions of clarification to be made arising from the ministerial statement. However, given the gravity of the situation, given the matter that is the subject of exchanges this afternoon, and which is something that has happened in the past, Speakers here in Parliament and in the House of Commons are very, very liberal in the application of those rules.

Therefore, invariably what happens in the House of Commons, and has happened here over the years, is that the Leader of the Opposition and the leader of other minority opposition parties are allowed effectively to make a counterstatement, which is what has happened today. Obviously, in that counterstatement matters arise, which have not been perhaps this afternoon posed as questions of clarification but which nevertheless I feel the Chief Minister should be given an opportunity to deal with them as if they were questions of clarification.

So I have interpreted the rules, as I say very liberally; I think it is in the interest of this Parliament that we should, given the seriousness of the matter. I would not always deal with other matters in the same way. I might only expect serious questions of clarification, which can be made by any Member of the Opposition and not just by the Leader of the Opposition and the leader of a minority interest, as has been the case this afternoon.

So, just to clarify the matter, I think it is in the interest of Parliament and of our people this afternoon that the Chief Minister should therefore have an opportunity to deal with issues which have been raised by the two hon. Members from the Opposition benches.

Hon. Chief Minister: Thank you very much, Mr Speaker. So we are not dealing with this as a debate but we are dealing with it as the Rules provide that we should, and perhaps before challenging Mr Speaker's manner of running the proceedings of the House people should familiarise themselves with the Rules. The Prime Minister has been on her feet from 12.30 when she started Prime Minister's Question Time, or quarter to one when she started Prime Minister's Question Time, until about 4.15, dealing with questions arising from her statement, and she has dealt with questions from just about every Member of the Parliament in the United Kingdom.

Mr Speaker, the Hon. the Leader of the Opposition raised four matters which he said were the fourfold issues he wanted to see dealt with in the context of Brexit: continued access to the UK market; access to the new trade agreements that the United Kingdom may do; access to any trade agreement the United Kingdom may do with the European Union aka with the single market; and finally, a workable, sensible agreement with Spain on Frontier fluidity. He went on to say that it would not be acceptable for the United Kingdom and Spain not to do an agreement on Frontier fluidity, as far as he was concerned, because we should not be at the whim of any future Spanish Foreign Minister.

Well, Mr Speaker, dealing with those questions first, in respect of (1) and (2), as he says that Mr Walker told him in the context of a meeting, we are very much there in respect of continued access to the UK market and access to the United Kingdom's trade agreements with third countries when those are done. There has been a very clear commitment from Robin Walker on behalf of the British government, from Secretary of State Liam Fox in statements made in the context of Gibraltar Day in London last year, and followed up in writing in respect of both of those. I say in November of last year, Mr Speaker, because in fact we have been able to achieve those two of the Hon. the Leader of the Opposition's criteria by November of last year in terms of commitment. But I think we will be able to go even further, so if I may say so – not in self-congratulatory terms but in terms of ensuring that those who are doing business from Gibraltar and in Gibraltar continue to have the confidence that they need to have to know that they can continue to invest in Gibraltar – I think that is a very good result indeed for the Gibraltar economy.

The issue of what agreement the United Kingdom will have with the single market is one which, of course, is vexed in a different way. The first two are matters largely in the bilateral gift of the United Kingdom itself and we have found absolutely no resistance whatsoever to having access to things which the United Kingdom controls itself and in the bilateral relationship with Gibraltar. Of course, hon. Members will know that there has been a debate until very recently as to whether the United Kingdom should remain a member of the Customs Union, whether it should seek to stay in the single market. That debate has been resolved really by the Prime Minister asking people to realise that the objectives for which people appear to have voted in the context of the referendum are not compatible with some of the rules of the single market and the Common Customs Union, so what deal the United Kingdom achieves in terms of access to the single market is the subject of continued debate in the United Kingdom.

Hon. Members may have watched the recent *Question Time* on Monday, where David Davis, the Secretary of State for Exiting the European Union, was repeatedly asked what deal the United Kingdom would have with the single market, and he was of course unable to say because the negotiations have not yet begun. Mr Davis has said that he hopes that the final agreement between the United Kingdom and the European Union is as good as the relationship ... or produces as good an opportunity for business as the relationship produces today. That is one of the six criteria that Sir Keir Starmer, as the Labour shadow Brexit spokesperson has therefore established for Labour's support to any deal that may come back from the European Union. So we will see what deal it is that the United Kingdom is able to do with the European Union in respect of its own access to the single market.

We have to be alive to the fact that what has commenced on the triggering of Article 50 is the process of withdrawal from the European Union, whilst the new deal for access to the single market, such as it may be if one is achieved, would be not the process of Article 50, although the

United Kingdom is approaching this process as one that should be intertwined with the new deal going forward that the United Kingdom does with the European Union. In fact, hon. Members will know that one of the things that Mr Davis has said repeatedly, and the Prime Minister herself has said repeatedly, is that no deal in terms of future trade relationships between the United Kingdom and the European Union is better than a bad deal in that respect. So this is very much an issue that is live.

A workable, sensible agreement with Spain on Frontier fluidity is of course what the Government also considers is an essential part of the future, Mr Speaker. To a very great extent we have said so explicitly and implicitly in the context of the Select Committees of the United Kingdom Parliament that I have attended: the importance of the Frontier and the ability to continue to seek fluidity across that Frontier is essential. I have repeated that to the House today, and that is why I say that the jury is out on what a Spanish Foreign Minister or a Spanish President may say one day in relation to Gibraltar and the Frontier and may do on another day. In fact, the references I have made to other statements that we have heard are the recent statements we heard by Sr Margallo when he was Foreign Minister – he was talking about planting the Spanish flag on Gibraltar in the next four years – and Sr Marcelino Oreja, who was a leading light in the Partido Popular at one stage, saying that of course, now that Brexit is going to happen, they will close the Frontier.

I think to an extent we have to put those in context and look at the run of play of what is being said in Spain but understand who is speaking for the government and who is speaking for the position of the government today. That is why, although I put it no higher than the statements which have been uttered in the past days, it is important that we reflect that those are the statements made and they are statements about the Frontier *not* being closed – of course, because it would be an act of political idiocy in the 21st century to close a frontier in Europe, and I doubt that there is anybody in Spain who is going to even seriously countenance that in the upper echelons of government decision making – and second, that there is a desire to achieve Frontier fluidity for Spanish workers.

Spanish workers are an important part of our economy, but they are not *just* Spanish workers who come to Gibraltar to work; there are other EEA nationals and third country nationals who live in Spain and who come to Gibraltar to work, and a lot of the work that they do is for people who arrive in Gibraltar as tourists, who also need to be able to come across a free-flowing Frontier if there is going to be work for Spanish Frontier workers and other people who come to Gibraltar not because they are working here and not because they are tourists but simply because they want to come because they have family here, because they want to buy goods in our stores, etc. So it is important that we understand that fluidity is something that must apply across the board and not just to a select few. But, Mr Speaker, I think it is also important to say that there are provisions in EU law which I have referred select committees to in the UK and I have referred to in previous statements I have made, which provide for access to the Schengen area of the European Union. Regulation 1931/2006 specifically provides for agreements in that respect and that is one potential avenue where an agreement may arise from.

Mr Speaker, the hon. Gentleman says that he has offered to work closely with the Government and shoulder to shoulder with us on this subject. Well, the hon. Gentleman knows that we have said that we are going to set up the Brexit Select Committee to deal with these issues as the negotiations commence. He will have seen that in the United Kingdom the Government is running the Brexit matters; it is not something they do with the Opposition. Here, the process until now has been really a process of information gathering. The process of negotiation begins now. That is when our Select Committee will meet.

But I will say this to the hon. Gentleman – and I do not want to strike a discordant note but it is important that I say it: it is all very well to say that one will work closely with the Government and ‘we will work shoulder to shoulder with the Government’ and then go off and do things which might be interpreted in a different way. I would urge that, for the period in which we are about to embark, we need to all be very conscious of what the effect of our statements and

actions may be on confidence in the Gibraltar economy, on the perception of the Gibraltar economy and Gibraltar outside of Gibraltar, in particular the perception that Spain may be given of the positions being taken in Gibraltar. When we talk about the economy being virtual and globalised, that is a very good thing – it enables us to do business with distant parts of the world. The other side of that, of course, is that everything that we say to each other can be read in another capital just further to the north as if it were being said there. So we have to be conscious of what we say and we have to have that particular desire to ensure that anything we do does not affect Gibraltar's prospects ... shine through what perhaps might otherwise be seen as normal partisan activity. But it is a matter entirely for Members opposite what they do, how they do it, how they say it and what the repercussions of that are.

Can I thank the hon. Lady for bringing a smile to my face on an otherwise difficult day with her reference to this being a baptism or civil registration of the process of Brexit. At least the thought of being able to get together in a social club and eating some calamares, which seems to be the way that most people celebrate baptisms here, was at least more enticing than what is coming!

Mr Speaker, she said that Gibraltarians, that we in this part of the franchise of the referendum, were passengers in this process. Well, we are as much passengers in this process as everybody who voted remain and finds themselves with a leave result may be, but there is a deep political significance in that concept, and that is that at a time when some might be going off on frolics thinking that Gibraltar's sovereignty is somehow in play, that this was a moment when perhaps there was an opportunity in respect of the big political sovereignty issue, actually what was happening was the gelling even further together of the people of Gibraltar and the United Kingdom, because we voted together in a franchise on an issue as seminal as whether the United Kingdom should remain a part of the European Union.

The Article 50 letter talks about the withdrawal of the United Kingdom from the European Union. The United Kingdom has a definition in law – those words 'United Kingdom' are defined in law – and that definition does not include Gibraltar. Gibraltar is included with the United Kingdom as part of the European Union because of the operation of the European treaty, not because of the operation of English law. We voted in a referendum with a question that did not include the word 'Gibraltar' in it, but we voted as part of that franchise in respect of a question that mentioned the United Kingdom. In Gibraltar there have, for 50 years, been integrationists and not integrationists, but there have been very few who want to be anything other than British. In the context of that debate and wanting to be British and continue to be British, voting as part of that franchise in that referendum, even though we were on the side – at least 96% of us – that lost, means that we are not just passengers. We are a part of that process. It is, like it or not, a process which the British people are embarked upon and we are embarked on it with them.

You could take that language and say, well then, that of course you are a passenger if you are embarked on a vessel that is going in a particular direction, but so are all the British people. And so, for those of us who believe passionately, as I know that all Members of this House do, that Gibraltar should continue to be British in perpetuity and exclusively British in perpetuity, then being embarked on that process with the United Kingdom, even though the trajectory of this particular cruise ship is not the one that we chose, demonstrates that we are in it together and that therefore anybody who thought that this was a process that might lead to a destination where Gibraltar might be disembarked from the United Kingdom's sovereignty they have read it completely wrong and they have not understood the significance of Gibraltar voting as part of the franchise in the referendum and indeed of how that was kicked off – the man sitting behind me is largely responsible for that – by the winning of the Matthews case and Gibraltar's voting in European parliamentary elections as part of the south west constituency of the United Kingdom.

If anything, the umbilical links between Gibraltar and the United Kingdom are stronger now, and those who might celebrate the fact that when the United Kingdom leaves the European Union Gibraltar leaves with them because they are interested in taking our sovereignty are

1285 celebrating the wrong overture, because what that demonstrates is that we leave because we
are with the United Kingdom and in the sovereignty of the United Kingdom and nowhere near
the sovereignty of any other – though they might have, for one moment, dangled a carrot
suggesting that we might be interested in staying in the single market if we were to change our
sovereignty. So I take the hon. Lady's remarks about being passengers and I suggest to her that it
1290 is not a bad place to be, given what I know her objectives and our objectives on this side of the
House, and indeed the objectives of any Member of this House, are in terms of the long-term
sovereignty position of the people of Gibraltar and Gibraltar itself.

Mr Speaker, the Prime Minister spent, as I have said, four hours today on her feet dealing
with these issues. There are going to be many challenges in the months ahead, but for Gibraltar
1295 there are also many opportunities. Economically, Gibraltar's relationship with the single market
has really been a relationship with the United Kingdom. The hon. Member talks about that first
particular limb, the continued access to the UK. I think it is important for people to understand
that it is an access that no other Overseas Territory has secured. When we went in, in 1972, the
single market had not been created. I saw references to the fact that the single market was
1300 really one of Mrs Thatcher's contributions to the growth of the European Economic Community.
For Gibraltar it meant that we were, in effect, the only one of the Overseas Territories who
obtained the ability to trade freely into the UK, not reliant on the umbilical bilateral relationship
between each Overseas Territory and the United Kingdom but on the basis of the European
Acquis. That is going to continue, which is going to mean that the Gibraltarian relationship with
1305 the United Kingdom is going to be, in market terms, in particular in financial services market
terms, closer than it can be between the United Kingdom and other Overseas Territories, and it
is fair to say that others look at the relationship we have with the UK and I think wish they had
made other choices in the 1970s.

But we now will, to use a European terminology that we may not be using so much in future,
1310 we are going to grandfather that into the world post Brexit and we are going to continue to have
that access. We identified from the first moment that that was one of the most important
measures, and in a letter that I sent to Prime Minister David Cameron I identified that we
needed to be able to say quickly to financial services firms established in Gibraltar that that
would continue post Brexit, and the then Prime Minister was very quick to come back to say that
1315 the political will was there to make that happen – and you have then seen how we have
continued to develop that commitment into something more tangible and it is now an accepted
part of the future going forward.

But the relevance here is this: when the single market happened, Gibraltar started accessing
it principally in relation to the United Kingdom, and so you will have heard, Mr Speaker, and so
1320 will hon. Members have heard me say that 90% of our trade has been with the UK in the single
market. Well, the remaining 10% has principally been with Ireland, and some of the rest of it in
the rest of the European Union. So, when we do this analysis and we get a lot more information
after the Brexit result from the firms that are established in Gibraltar telling us what their
interests are going forward, I think it becomes increasingly clear that the products that Gibraltar
1325 is able to sell, and which are our unique selling point, are clearly best marketed in places where
there is a common language with us, where we have a common legal interface like the common
law, respect for the rule of law. But importantly – and I commend to hon. Members to think
through this important distinction – the common law brings an understanding of ownership
which is twofold, legal and beneficial, and therefore it is possible to do things where that
1330 equitable ownership of things is recognised that it is not possible to do in civil law countries.

The 28-member block is made up principally of civil law countries, and so our financial
services are sold better in a small number of those member states of the European Union than
they would in the whole of the European Union, and some of those are also small jurisdictions
that sell services and therefore are not potential markets for our products. As we go forward, if
1335 the United Kingdom is able to do as they confidently expect that they will, trade deals – whether
in two years, in five years or in 10 years – with states in the Commonwealth, of which I will refer

only to five in dealing with the issues put by hon. Members this afternoon, then it may be that the markets for Gibraltar's services are much more receptive ones post Brexit than the ones that we have pre Brexit. The examples are these, the ones that have been spoken of specifically in the context of the debate already: New Zealand; Australia; the United States of America; Canada, which has just done its agreement with the European Union and is therefore a good blueprint for trade with the United Kingdom going forward; and, of course, India. In those five Commonwealth nations – except the United States, which is not a Commonwealth Nation, although I recently read that the United States may be seeking access to the Commonwealth of Nations – we would see represented almost two billion people. A lot of the argument with all my predecessors, yourself included, as former Chief Ministers, and I put in the context of the Brexit referendum, was to say 'How can we leave a market of 520 million people?' Well, Mr Speaker, of those 520 million people it appears that there were about sixty to eighty million people interested in our financial services, those governed by the common law principally, for all of the reasons that I have referred to the House. Of course, that is not to say that those 80 million each bought a financial service from Gibraltar, but a market of sixty to eighty million people who have that common interface and understanding of the law. If the United Kingdom is able to do trade deals with nations – the five that I have set out that represent two billion people governed by the common law where we have that common interface of language, of common law, rule of law, etc. – then it is possible that the markets to which we have access in the future will be even more attracted to the services that we are able to sell from Gibraltar.

Mr Speaker, that is not to say that we would have changed the recommendation that we made to the people of Gibraltar at the time of the referendum – I certainly would not have – but we have to accept that the referendum result is now firm. The Prime Minister has taken action today to start a process which in 720 days will very likely produce a result, and we have to look for the opportunities, such as I set out to hon. Members today, that deal with not just those four issues that the Hon. the Leader of the Opposition has identified but looks beyond them at what markets there may be for Gibraltar thereafter and enables us to understand why it is that we are pursuing the criteria that we are pursuing.

It is not, Mr Speaker, the day that the people of Gibraltar were most looking forward to, but with the resolve and resilience that this community has shown in the past, and with the hard work that everyone in this community is going to put into ensuring that Gibraltar continues to be a success – and I for one pledge my work to ensuring that the political aspects of this are dealt with, as I am sure every other Member of this House will – I am sure that for Gibraltar this is just, in history, going to be seen as another challenge: another challenge that we surmounted, another challenge that did not make us bend to anybody else's will, and another challenge that ensured that Gibraltar and Gibraltarians will continue to forever be of the British sovereignty that the people of Gibraltar choose it should continue to be.

Mr Speaker, the Prime Minister has one quality which I think it is important to reflect to all Members of this House. Apart from the fact that she is a determined woman, as we have seen, it is also true that, like all of us, she was a remainer. She advocated the vote for the United Kingdom to remain in the European Union and the argument she is making now is an argument born out of respect for the result of the referendum. That is how we must all act in working with the Parliament at Westminster in continuing our work at a technical level with the devolved nations of the United Kingdom, with the islands of the Channel Islands and with the other Overseas Territories to ensure that we take the best opportunities for Gibraltar and take from what might otherwise have delivered a hammer blow to our prospects and turn it into an absolute success going forward for many future generations of Gibraltarians, and I have no doubt that we will achieve that, Mr Speaker. *(Banging on desks)*

Questions for Oral Answer

HEALTH, CARE AND JUSTICE

Q247 and 248 /2017

Care Agency carers –

Gibraltar-resident and cross-Frontier employees and subcontracted workers

1385 **Clerk:** We now resume questions and we commence with Question 247. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provided statistics of how many carers employed by the Care Agency are resident in Gibraltar and how many are cross-Frontier workers?

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Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I will answer this question together with Question 248.

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Clerk: Question 248, the Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide statistics of how many subcontracted workers providing care services for the Care Agency are resident in Gibraltar and how many are cross-Frontier workers?

1400

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Hon. N F Costa: Mr Speaker, the number of carers employed by the Care Agency who are resident in Gibraltar and those who are Frontier workers is broken down as follows: resident in Gibraltar, 125; cross-Frontier workers, 34.

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The total number of subcontracted workers providing care services for the Care Agency who are resident in Gibraltar and are cross-Frontier workers is broken down as follows: resident, in Gibraltar, 27; cross-Frontier workers, 169.

Q249-252/2017

Dementia and long-term elderly patients –

Dementia Residential Unit; St Bernard's Hospital; Mount Alvernia

1410 **Clerk:** Question 249, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government confirm that the Dementia Residential Unit will be fully operational on 1st April 2017 and that Grand Home Care are to operate the facility?

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Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I will answer this question together with Questions 250 to 252.

1420

Clerk: Question 250, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, in what wards at St Bernard's Hospital are dementia and long-term elderly patients currently located?

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Clerk: Question 251, the Hon. D A Feetham.

Hon. D A Feetham: How many extra beds at the hospital put in place by the GHA since December 2016/January 2017 are being occupied by dementia and long-term elderly patients, and where are these located?

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Clerk: Question 252, the Hon. D A Feetham.

Hon. D A Feetham: Can the Government state how many elderly citizens are presently waiting for a place at Mount Alvernia and how many of these are occupying a bed at St Bernard's Hospital?

1435

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Hon. N F Costa: Mr Speaker, as announced by the Hon. the Chief Minister in his New Year message on 10th January, the Dementia Residential Unit will open within 90 days of his address – that is to say in April of this year. The facility will not be operated by Grand Home Care.

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Dementia and long-term elderly patients are currently located in Captain Murchison Ward, Victoria Ward, Calpe Ward, Cochrane Ward and the temporary ward.

The GHA has put in place 11 extra beds at St Bernard's Hospital since December 2016 and January of this year, all of which are being occupied by dementia and long-term elderly patients. These are located as follows: Captain Murchison Ward, two beds; Victoria Mackintosh Ward, two beds; temporary ward, seven beds.

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There are currently 70 elderly citizens waiting for a place in Mount Alvernia and 27 of these are occupying a bed in St Bernard's Hospital.

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Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer.

I was surprised to hear that Grand Home Care will not be operating the Dementia Residential Unit. If I may ask the Minister: who is to operate the Dementia Residential Unit, why the change at this stage, and was there a retender process?

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Hon. N F Costa: Mr Speaker, the company that will be operating the Dementia Residential Unit will be Medoc. This bid was the second preferred bid at the time of the tender; it also happened to be the lowest bid.

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Certain information came to the Government, which I will be more than happy to discuss with the hon. Gentleman behind the Speaker's Chair, but certain information came to the Government which made the Government deem that it would be unsuitable for Grand Home Care to continue to be the preferred bidder to operate the Dementia Residential Unit.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his response. Can he advise the House on what date this decision was taken?

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Hon. N F Costa: Mr Speaker, I do not have the exact date but it was certainly after I answered this question when he asked me originally which was the preferred bidder and at the time I answered Grand Home Care. It happened subsequent to those events.

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Mr Speaker: Next question.

1475 **Hon. R M Clinton:** Mr Speaker, if I may ask the Minister: in terms of the size of the contract, is it not a requirement under European law that if a tender award has been taken away from a contractor that it is required to go back out to tender? Or am I wrong in that assumption?

Hon. N F Costa: Yes, Mr Speaker, he is wrong.

1480 **Clerk:** Question 253, the Hon. D A Feetham.

Hon. D A Feetham: May I just ask one supplementary on my ...? It is in relation to the seven beds in the temporary ward. When he talks about 'temporary ward', he means the temporary ward that has been created out of the rehabilitation gym?

1485 **Hon. N F Costa:** Yes, the hon. Gentleman is correct, Mr Speaker.

Mr Speaker: Next question.

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Q253/2017
Cardiac rehabilitation –
Location of classes pending return to use of gym

Clerk: Question 253, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, in the light of the fact that the cardiac rehabilitation gym is now being used as a seven-patient ward, where are cardiac patients undertaking rehabilitation?

1495 **Clerk:** Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, it is perhaps pertinent to remind the Hon. Leader of the Opposition that this area was originally designed as a hydrotherapy pool which had never been commissioned to be used as such by the previous administration. Talk about the prudential use of taxpayers' money for yet another hole in the ground, Mr Speaker!

1500 As a result of the non-use of the pool since 2004, my hon. Friend and predecessor Dr John Cortes decided to convert the area into store capacity for the rehab departments. This was later used as a temporary isolation unit for the Ebola outbreak contingency, which when decommissioned was converted to an additional gym for rehab services.

1505 The hon. Gentleman should also know that the cardiac rehab classes have always been conducted within the established rehabilitation areas. This has been the practice since the move to the current St Bernard's Hospital in 2005.

1510 Once the temporary ward is decommissioned in April of this year, it will be adapted again as an additional gym which will be used fully as a cardio rehabilitation area once our elderly are eligible for admission into the new Hillside's residential home.

Hon. D A Feetham: Well, Mr Speaker, thank you very much for the history lesson. I have to say I did not even have to push any buttons: the hon. Gentleman decided of his own motion that he would go on the attack! I commend him for that. And here I was telling my hon. Friend Mr Hammond, 'I don't think I'm going to be asking any supplementary questions,' Mr Speaker!

1515 He has outlined the history of this, and then he says that now ... almost indicating, I should say, when he gives the history, 'Well, it's never really been designed as a rehabilitation gym; it was really something else, but now the Government is going to turn it back into a rehabilitation

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gym.’ That presumes that it is a space that is usable as a rehabilitation gym and that the Government has made the decision to actually use it as such. What he has not answered is where are those people who require a rehabilitation gym at the present moment in time, where are they being treated. Where are they going –

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Hon. N F Costa: I have.

Hon. D A Feetham: Oh, have you? I beg your pardon. Because if there is no gym and it was being used for something else before and now it is being used as a – (*Interjection*) Well, can he, please, because I have to say that I did not understand the answer that he provided.

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Hon. N F Costa: Mr Speaker, I did decide to go on the attack but I also did answer the question.

Yes, as I explained, the area was originally designed as a hydrotherapy pool but never actually used. As a result, it was the decision of my hon. predecessor to convert the non-used hydrotherapy pool into a rehabilitation gym, but as an additional rehabilitation gym because, as I explained to him, the cardiac rehabilitation classes have always been conducted within the established rehabilitation areas. And so once the temporary ward is decommissioned, because of course those patients will then be either transferred to the new Dementia Residential Home or indeed to the additional beds that will be provided at the elderly residential facilities, then it will be converted once again into the additional rehabilitation gym and then they will be able to use that additionally for rehabilitation classes.

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Hon. D A Feetham: Mr Speaker, it is just that he uses and he has continued to use this phrase ‘rehabilitation areas’. For me, a rehabilitation gym contains gym equipment that is used for rehabilitation purposes. Is he saying that there is another space within the hospital that contains rehabilitation gym equipment for rehabilitation purposes? (**A Member:** Yes.) That is one question.

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The second question is: if it was that the Government, by converting this particular space into a rehabilitation gym – he has told me that Minister Cortes was responsible for that ... The Government must have felt that extra rehabilitation space was necessary. That must follow. Therefore, what impact is this having on those people who want to have rehabilitation and indeed need to have rehabilitation?

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The Hon. Minister cannot have it both ways. He cannot say to me there is additional rehabilitation elsewhere – but that has always been the case, unless the conversion has taken place after this has been closed. Otherwise there is now a minus lack ... you are in the minus area in terms of rehabilitation equipment and rehabilitation gym.

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Hon. N F Costa: Mr Speaker, and then he wonders why I go on the attack! No, the hon. Gentleman clearly has not heard the answer that I have given to him.

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The space where the additional rehabilitation gym is currently placed used to be a hydrotherapy pool. The hydrotherapy pool had lain unused for many years, as a result of which my hon. predecessor decided to convert that area into a cardiac rehabilitation gym in addition to the cardiac rehabilitation areas already within St Bernard’s Hospital. The reason why that was decided was not because it was necessary, and therefore I do not agree with the hon. Gentleman’s respectfully flawed logic, but because it was advisable to have additional rehabilitation areas.

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In any event, that area was not used because of the Ebola outbreak which became an isolation unit, and following the decommissioning of the Ebola outbreak as an isolation unit the issue with beds arose, as a result of which we made that into a temporary ward since January of this year.

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As I have also explained to the hon. Gentleman, this is a temporary ward, as the name suggests, and will be decommissioned by April, once the Dementia Residential Home is open. Therefore, at that point, the additional rehabilitation gym, which forms the subject of this question, will now be fully and properly used as additional space.

Hon. D A Feetham: One final question: what in the Hon. Minister's mind is the difference between necessary and advisable? (*Interjection*) Well, absolutely.

Mr Speaker, the hon. Gentleman has said to me that there has always been rehabilitation space, and then he says it was not necessary but it was advisable to convert this particular space into a gym – that it was not necessary, it was just simply advisable – and he is also telling me that, actually, when all this is over it is going to be reconverted back into a gym.

In my respectful view, Mr Speaker, he is splitting hairs. Is it not the case that the Government deems that it is necessary to have this additional rehabilitation space, otherwise it would not be reconvert it back into a gym; and therefore does it also follow from that that there are patients, certainly who have come to me, who are telling me that they are being prejudiced by the fact that they have lost this rehabilitation facility?

It is the only reason why I ask this – I do not use the gym, I do not use rehabilitation facilities. I ask the questions because constituents are concerned about these issues, and that is why I raise them in the House, so that I can then go back and I can then say to them this is the answer the Minister has provided. I will go back and I will say, 'Well, the Minister says that it is not necessary but it is advisable and it is going to come back later on.'

Hon. N F Costa: Mr Speaker, if the constituents that have gone to talk to him feel prejudiced, they must have been extremely prejudiced during all of the time that the GSD had a hydro pool that was not used since the St Bernard's Hospital came to its current location.

I do not need to explain to a Queen's Counsel the difference between necessity and desirability or advisability. It is necessary to breathe oxygen and it is advisable to have a Leader of the Opposition who understands the answers that are given to him.

Mr Speaker: [*Inaudible*]

Hon. R M Clinton: Okay, thank you very much.

If I may ask the Hon. Minister a very, hopefully, simple and inoffensive question, I heard him refer to Hillside residential home: is that what the Dementia Residential Home will be called?

Hon. N F Costa: Yes, sir.

Mr Speaker: Next question.

Q254/2017
GHA locums –
Numbers and assignment by department

Clerk: Question 254, the Hon. D A Feetham.

Hon. D A Feetham: I am just reading a message received from a constituent listening to this debate saying he is not answering the question, so obviously there are others out there who remain just as unsatisfied by the answer the Hon. Minister has given me.

1615 Mr Speaker, how many locums have been engaged by the GHA in the years ending 2011, 2012, 2013, 2014, 2015 and 2016, and which Departments were they assigned to?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

1620 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, perhaps the person who is writing to him can write to me directly and I will answer the question directly to the person.
Mr Speaker, the information is in the schedule I now hand over to the hon. Gentleman.

Answer to Q254

Year	Total Nursing Locums	Breakdown of Nursing Locums	Department	Total AHP Locums	Breakdown of AHP Locums	Department	Total Medical Locums	Breakdown of Medical Locums	Department				
2011	12	3	Mental Health	30	19	Pathology	89	2	Surgical				
			7		Critical Care	6		Optometry	3	Orthopaedics			
			2		Theatres	2		Occupational Therapy	7	ENT			
					1	Occupational Therapy		9	Ophthalmology				
					1	Physiotherapy		5	Obstetrics & Gynaecology				
					1	Radiology		3	Surgical				
								4	Orthopaedics				
								1	Obstetrics & Gynaecology				
								8	Anaesthesia				
								9	Paediatrics				
2012	6	3	Secondary Care	14	8	Pathology	56	1	Surgical				
			1		Paediatrics	2		Physiotherapy	13	ENT			
			2		Mental Health	2		Speech & Language	1	Ophthalmology			
					2	Occupational Therapy		2	Surgical				
								1	Surgical				
								3	Orthopaedics				
								11	Anaesthesia				
								3	Pathology				
								2	Primary Care				
								19	Medical				
2013	2	2	Mental Health	7	2	Speech & Language	64	1	Surgical				
						2		Pathology	6	ENT			
						2		Physiotherapy	2	Obstetrics & Gynaecology			
						1		Radiology	2	Surgical			
								3	Orthopaedics				
								4	Surgical				
								5	Orthopaedics				
		2014	5		4	Critical Care		19	10	Pathology	115	3	Orthopaedics
						1			Palliative Care				
									2	Occupational Therapy		17	ENT
2	Radiology			15			Obstetrics & Gynaecology						
2	Physiotherapy			5			Surgical						
1	Pharmacy			2			Surgical						
1	Secondary Care			7			Orthopaedics						
1	Speech & Language			3			Medical						
				10			Anaesthesia						
				2			Paediatrics						
				3			Pathology						
				3			Mental Health						

Cont...

Continued Answer to Q254

						1	Public Health
						20	Primary Care
						22	Medical
						2	A&E
						3	Surgical
						17	Obstetrics & Gynaecology
						1	Surgical
						2	Surgical
						13	Orthopaedics
						11	Anaesthesia
						5	Paediatrics
						3	Radiology
						5	Pathology
						1	Mental Health
						1	Medical
						2	Public Health
						26	Primary Care
						6	Medical
						3	A&E
						12	Surgical
						5	Orthopaedics
						14	Obstetrics & Gynaecology
						10	Surgical
						15	Orthopaedics
						1	Dental
						13	Anaesthesia
						10	Paediatrics
						19	Radiology
						26	Pathology
						4	Mental Health
						2	Public Health
						4	Primary Care
						15	Medical
						1	A&E

1625 **Mr Speaker:** Can I ask the Hon. the Leader of the Opposition, who has a number of questions, if he would allow the hon. Lady to ask her question, since she has an urgent engagement at 6.30?

1630 **Hon. D A Feetham:** Mr Speaker, I have no objection, but can I say that I have cancelled an appointment which was very urgent, at six o'clock, because of these questions myself. But I have no objection, but I just wanted that to be on record because we all need to be making sacrifices when we are in this House.

Mr Speaker: I am sure we are all going to be rewarded for the sacrifices that we are making!

Q275/2017
Visiting neurologist –
Frequency of visits

1635 **Mr Speaker:** The hon. Lady, Question 275.

Clerk: Question 275, the Hon. Ms M D Hassan Nahon.

1640 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I thank the Hon. the Leader of the Opposition for giving way and I can assure you that it is by no means a facetious engagement: my daughter is eleven years old and she is a drummer and has to compete for the Festival of Young Musicians this evening and really wants her mother there. So I am grateful for that.

My question is: what is the Government's position with regard to the frequency of the visiting neurologist to the GHA?

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Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

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Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the Government is satisfied with the frequency of the visiting neurologist to the GHA. We are in the process, however, of seeking to repatriate this and other services.

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Hon. Ms M D Hassan Nahon: Mr Speaker, thank you to the Hon. Minister for his answer, but could I commit him to giving us an answer in terms of was there a frequency quarterly, biannual or something like that, because certain constituents who suffer from neurological conditions have been told on the one hand that he was meant to come quarterly but unfortunately did not see him appearing since last October until very recently, and obviously it has caused them concern and problems obviously.

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Hon. N F Costa: Mr Speaker, to take the questions that the hon. Lady has asked me in order, the neurologists come from St George's Hospital. There are three neurologists who visit every three months for around two or three days.

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There has been, according to my supplementary information, one complaint, and we could therefore be speaking of exactly the same complaint about a patient having missed an appointment. If the hon. Lady cares to give me the details of the patient who has missed the appointment, I will obviously make sure that at the next visit the patient is seen, and of course if the patient requires to be referred urgently we also do that. This year there have been 13 referrals and last year there were 37. So if this patient, having missed the appointment with the neurologist ... it is now felt by another consultant within the GHA should be urgently referred to the UK or to Spain, then the hon. Lady need, as she ordinarily does, only write to me and I will make sure it is immediately looked into.

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Hon. Ms M D Hassan Nahon: Mr Speaker, I am grateful for this answer and for your offer, to the Minister, of being available for this patient, but from what I understand, this patient has never officially complained, he has never missed an appointment, and the complaint and the query is that he was assured that a visiting neurologist comes to Gibraltar every three months and then was told six months later, when no neurologist was coming to Gibraltar, that the missing of a neurologist every quarter is due to the crisis with the NHS.

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Hon. N F Costa: No, Mr Speaker, I will certainly go back and ask my team but I would certainly have been told by the Medical Director, with whom I consult daily on numerous occasions and certainly in respect to answers to questions ... He would definitely have told me had there not been the usual quarterly visit by the visiting neurologists, but I will double check that information for her.

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Hon. Ms M D Hassan Nahon: I am grateful for that, but I can assure the Minister, and I will have a conversation with him, that this is what the patient was told by the doctor.

I now ask, and perhaps he has already intimated it, but do we have a plan for a frequently visiting neurologist moving forward?

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Hon. N F Costa: Mr Speaker, as I have explained to the hon. Lady, there is a quarterly visit by three neurologists from St George's Hospital. Therefore, there is an existing structured visit from the relevant clinicians from St George's Hospital.

As I said, it would really ... I am not doubting for one second what the patient is relaying to the hon. Lady is what the patient says the doctor told him; what I am telling the hon. Lady is that

1695 I would be very surprised indeed if, having discussed all of these questions with the clinical team, they would not have warned me that the question may have been due to the fact that in one particular quarter there was an absence of the visiting neurology team.

1700 **Mr Speaker:** I am grateful to the Hon. the Leader of the Opposition for giving way.
Question 255.

Q254/2017
GHA locums –
Supplementary questions

Hon. T N Hammond: Mr Speaker, if I may, one supplementary on the information that was provided on locums.

1705 **Mr Speaker:** What question are we dealing with?

Hon. T N Hammond: Sorry, it would be Question 254, on the statistics provided for locums, and it is simply ... and forgive my ignorance, but I do not necessarily understand all the terms used. I understand what nursing locum means, I think. I am not sure what an AHP as opposed to a medical locum is – I wonder if the Minister could clarify that information.

1710 **Minister for Health, Care and Justice (Hon. N F Costa):** Could the hon. Gentleman refer me to the year and the column he is referring to, please? Oh, I see, yes.

1715 **Hon. T N Hammond:** Absolutely – it is in the headers.

Hon. N F Costa: Yes, sorry, he is referring to the head 'Allied Health Professional'. That relates to occupational therapy, physiotherapy, radiology, psychology, that sort of thing.

1720 **Clerk:** Question 255.

Hon. D A Feetham: Can I just ask one question?

Clerk: I am sorry.

1725 **Hon. D A Feetham:** Mr Speaker, with locums I gather that the total locums are on the right-hand column, is that the case?

Hon. N F Costa: That is correct.

1730 **Hon. D A Feetham:** So it is 89 in 2011, 56 in 2012, 64 in 2013, 115 in 2014, 99 in 2015 and then it is 151 in 2016?

Hon. N F Costa: Yes.

1735 **Hon. D A Feetham:** Does he have an explanation for the sharp rise in locums in the course of 2016?

Hon. N F Costa: Mr Speaker, not one that I have been entirely satisfied with. The fact of the matter is that I would have expected an organisation such as the GHA to have succession

1740 planning in place where the use of locums would not be as necessary. But then again, of course,
Mr Speaker, as the hon. Gentleman will know, specialisms require continuous training –
consultants, allied health professionals, in order to be able to keep up with their skills need to
undergo continued professional development – and of course then there are issues that arise
such as annual leave, maternity leave and usual sickness cover. And of course the reality is that
1745 the GHA continues to grow the services which it provides. For example, if for whatever reason,
say for example the absence of a particular consultant due to illness or due to maternity or any
other reason, and as a result of that there has been an increase in the referral list, the GHA
would always move to bring in locums in order to ensure that that list remains manageable and
within the expected timeframes that Gibraltarian patients expect that they will be referred to by
1750 the GHA consultant.

Hon. D A Feetham: Does he also have an explanation for the sharp rise in locums in
gynaecology? For example, in 2014 it jumped from two the previous year to 15. It then increased
to 17 and it is down to 15 again in 2016. And there is also a sharp rise in locums in relation to
1755 orthopaedics, and I gather ... presumably that is because the Department is trying to do
something about the waiting list in relation to orthopaedics, which we know and which the hon.
Gentleman recognises was not what we all want. And finally, in relation to surgical, which is now
10 in 2016 when it was only one in 2015 – well, two in 2015 – is that because there have been a
number of surgeons that have left the department in recent times and that those gaps left in the
1760 service as a consequence are being filled by locums?

Hon. N F Costa: Mr Speaker, the hon. Gentleman will appreciate that, given the information
that I have provided to him, which is extremely detailed, I could not anticipate each
supplementary that he would ask me. So the hon. Gentleman, if he wants absolute certainty in
1765 the answers that I am going to provide to him, then he should give me notice of those questions.
In respect of the orthopaedics, the hon. Gentleman is right, I can definitely answer that one.
In respect of gynaecology, it relates to 2014, during the course of which my hon. Friend was the
Minister so I will allow him to please assist.

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):
Yes, Mr Speaker, it is also to do with the waiting lists. I found, at the time, that the gynaecology
waiting list was totally unacceptable. I cannot remember exactly now, but it was many months
and we were in a situation where, because there were three gynaecologists at the time and they
had about 10 weeks of leave each, it happened that we were one gynaecologist down for 30
1775 weeks of the year. Therefore, a decision was taken at the time for a period of time that 15 of
those weeks would be covered by a locum in order to cut down the waiting list, which was done
successfully, but there would have been a spike there and it was precisely to ensure that there
was cover for one of the gynaecologists on leave during half of the total time, and that had a
tremendous effect in lowering the waiting list in that year.

Hon. D A Feetham: And finally, Mr Speaker, has he done an analysis as to whether the
numbers of locums are being influenced at all ... are being driven by vacancies? In other words,
there are vacancies within the GHA in relation to doctors and those are being filled by locums, so
that ... I do not know ... for example, one job is being done by five locums, or anything like that?

Hon. N F Costa: No, Mr Speaker. The hon. Gentleman may recall that very shortly after I was
appointed Minister for Health there was a whole gamut of vacancies advertised in respect of all
of the medical requirements. It takes, unfortunately, quite a few months to be able to fill those
positions. Of course specialisms and consultants that are required for any particular field may
1790 not necessarily be in Gibraltar and therefore we need to advertise in the UK. A process needs to
be followed, a board needs to be set up and then there has to be a recommendation etc.

So no, if locums are being recruited, it is only because we are undergoing the recruitment process through the traditional process of advertising vacancies and establishing boards, and of course once these vacancies are filled then the locum cover will no longer be required.

Q255/2017
Dialysis Unit –
Replacement doctor

1795 **Clerk:** Question 255, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, who will be taking over from the two doctors at the Dialysis Unit whose contracts recently terminated?

1800 **Clerk:** Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, there was only one doctor at the Dialysis Unit. A doctor has already been contracted to cover until a replacement is appointed.

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Hon. D A Feetham: But, Mr Speaker, is it not the case that there was one permanent doctor and there was another temporary doctor who was assisting the principal doctor at the Dialysis Unit?

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Hon. N F Costa: Mr Speaker, the answer provided to Parliament has been drafted by the Medical Director, so I have to assume that he would know exactly the number of doctors in any given service in the GHA.

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Hon. D A Feetham: Yes, Mr Speaker, that is certainly true. I get my information from patients who are actually being treated in the Dialysis Unit and I am assured there were two doctors working there: one who was permanent and the other one who was on a temporary basis – not a temporary basis, but he was almost part time, he was part time – working to assist the principal doctor.

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Mr Speaker, why was the contract terminated, if it was terminated by the Government; or is it a case of the contract having been terminated by a fluxion of time?

Hon. N F Costa: The latter, Mr Speaker.

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Hon. D A Feetham: And can the Government explain why the contract of this particular doctor was not renewed?

Hon. N F Costa: The doctor who served the Dialysis Unit could not be registered by the General Medical Council.

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Hon. D A Feetham: And why is that, Mr Speaker?

Hon. N F Costa: Because he does not satisfy the requirements of the General Medical Council.

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Hon. D A Feetham: Mr Speaker, that is self-evident, but –

Hon. N F Costa: Well, why are you asking me? *(Laughter)*

1840 **Hon. D A Feetham:** Well, because is it, for example, that we are dealing with a doctor who has a foreign qualification and therefore that places a difficulty in terms of registration under the General Medical Council in the United Kingdom? My understanding is that that is an issue with a number of doctors who have been very successfully treating patients at the hospital and elsewhere within the GHA.

1845 **Hon. N F Costa:** Mr Speaker, I do not have the particulars of the reasons why the General Medical Council determined in this particular case that this gentleman was not registrable. My information is that, due to the fact that the General Medical Council would not register the dialysis doctor, it was obviously decided that the post had to be advertised and a usual selection process followed.

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Hon. D A Feetham: Mr Speaker, how long had this particular doctor been in this particular post? Does he have that information?

Hon. N F Costa: No, Mr Speaker, I do not.

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Hon. D A Feetham: But he accepts that this particular doctor ... there had been no complaints from patients and there was generally – if he has the information – satisfaction in relation to the way that this particular doctor was performing?

1860 **Hon. N F Costa:** Mr Speaker – and I say this really not wishing to be unhelpful – the original question of the hon. Gentleman is who will be taking over from the doctors at the Dialysis Unit. If the hon. Gentleman wanted to ask me specific questions on the particulars, then, with respect to him, he should have provided me with notice of those particulars he sought from me. I would have been delighted to have exchanged that information with him across the floor of the House,
1865 but unfortunately, given the original question on the Order Paper, I am afraid to tell him that I do not have whether there have been or have not been any complaints against this particular doctor.

Hon. D A Feetham: Mr Speaker, is it a locum that is going to be taking over on a temporary basis in relation to this doctor, or is this post going to be filled on a permanent basis by somebody else? Also, is that person coming over from the United Kingdom? Does he have any links with Gibraltar at all?

1875 **Hon. N F Costa:** Mr Speaker, the nephrologist advertisement was on the 17th of this month. There has already been a successful applicant who has accepted the job offer by email on 13th March and who will start on 10th July.

The current contract, the current replacement, is not being carried out by a locum but rather by a doctor on contract – at, I must say, a better rate than the previous doctor that currently provided the services.

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Hon. D A Feetham: Mr Speaker, given the very short timeframes – and he must be mistaken in the way that he has provided the answer ... He said that it was on the 17th of this month that the advert went out. It must have been the previous –

1885 **Hon. N F Costa:** Sorry, February, yes.

Hon. D A Feetham: February. No, I understand that. But we are talking about very small timeframes here, which does indicate that in fact the Government did not envisage that there

would probably be this particular problem with a doctor who was then serving. But am I right in saying that although the job was advertised, the Government had made moves to perhaps identify a replacement for this particular role? Or is it a situation where the Government advertised, there were applicants, and there had been no previous contact at all with the successful candidate?

Hon. N F Costa: Mr Speaker, could he repeat the last part of his supplementary?

Hon. D A Feetham: Despite the fact that there has been an advert going out, was this particular candidate headhunted, so to speak? Was there some contact between the GHA and this particular candidate, where this particular candidate was invited to apply? It does appear to me that we are talking about very small timeframes within which this has happened, and it may well be that what has happened is that the Government had identified somebody with Gibraltarian connections, for example – I am not putting words in his mouth, but I am just trying to get to the explanation of this – and therefore there was an advert and the successful candidate really was somebody the Government had already identified, even though the Government may have advertised and said, ‘Well, let’s see who applies.’

Hon. N F Costa: Mr Speaker, in the first place I think I ought to clarify that, whereas I replied to the hon. Gentleman that the contract had ended because of the fluxion of time, and indeed that is correct because the last working day was on 28th February, the doctor actually decided to leave before the last day due to ill health and I thought that it was important to make that fact clear, given how he has phrased ... No, given how he has phrased ... I just thought it was important to clarify that point for the avoidance of doubt.

The hon. Gentleman should know that the advertising process is conducted by the GHA. The Government – or, as the Hon. Mr Bossano has called us before, the ‘outfit’ – had no person in mind, but it is certainly the case that the GHA, when they do advertise for posts ... the different clinicians do contact persons whom they think would be suitable and interested and who have Gibraltarian connections. That is the case.

Mr Speaker: Next question.

Q256 and 257/2017
Speech and Language Therapy Unit –
Therapist post; location and complement

Clerk: Question 256, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, has the Government now filled the post of speech and language therapist?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, this question will be answered together with Question 257.

Clerk: Question 257, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, where is the Speech and Language Therapy Unit located and how many people are working engaged within it?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

1935

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the GHA does not have any vacancies for the post of speech and language therapist. The hon. Member's mole has got it wrong again.

1940

The Speech and Language Therapy department is not a department with a singular purpose and as such is not limited to solely one unit.

The Speech and Language Therapy department provides valuable input into many settings, including schools. If I assume that the hon. Gentleman is asking me in relation to the main offices they report to on a daily basis, the GHA Speech and Language Therapy department have the following bases.

1945

The Primary Care Speech and Language Therapy department. This is the main base of the Paediatric Therapy department. There are four speech and language therapists.

St Bernard's Hospital. This is the main base of the Adult Therapy team. There is one speech and language therapist.

1950

Bella Vista Dementia Day Centre: through this facility, the GHA has ensured that the care provider offers speech and language therapy support for dementia patients. There is one speech and language therapist.

1955

The Paediatric Speech and Language Service consists of two separate caseloads, mainstream and special needs, with clinical leads heading each area. These services are responsible for children, from neonates to adolescents of 18 years of age, who present with communication, swallowing and feeding disorders, including diagnosed genetic and medical conditions, developmental delays, learning disabilities, hearing impairments, autism and specific speech and/or language difficulties. Service locations for these services include mainstream schools; learning support facilities; special schools and special needs nursery; outpatient clinics at Primary Care, Rainbow Ward and the community.

1960

Both service streams within paediatrics have benefitted from staff recruitment within the timeframe of 2014 and 2015. In March 2014, a senior II speech and language therapist was employed to work alongside the clinical lead within this mainstream service and the following year another senior II therapist was recruited within special needs. To date, the staff complement within paediatrics is four full-time posts.

1965

The benefits from increasing from two speech and language therapists to four is self-evident, as it has allowed for a doubling of speech and language therapist time in both areas and has allowed the therapists to develop their competencies accordingly. Therefore, we have increased both availability and the quality of the services.

1970

The adult service is responsible for clients with swallowing and communication difficulties resulting from stroke, neurological disorders, cancer, dementia and voice disorders. The range of disorders which present can include aphasia, dysarthria, dyspraxia, dysphonia, dysphagia and dysfluency.

1975

Service locations for this service include inpatient and outpatient services within St Bernard's Hospital; ECA facilities, including Mount Alvernia; John Mackintosh Wing; Jewish Home; Calpe and Cochrane wards; and community.

The Adult service is staffed by one full-time post.

1980

Hon. D A Feetham: Mr Speaker, how many speech and language therapists did the hon. Gentleman say were being employed by the GHA? How many?

1985

Hon. N F Costa: Mr Speaker, there are four at the Primary Care Speech and Language Therapy department and there is one at St Bernard's Hospital. I also mention, Mr Speaker, that the Bella Vista Dementia Day Centre has ensured that the private provider also provides speech and language therapy support for dementia patients and they have one speech and language therapist. So, four plus one, plus one.

Hon. D A Feetham: Mr Speaker, is there one of those speech therapists that is actually taking care, at the present moment, of paediatric caseloads?

1990 **Hon. N F Costa:** Mr Speaker, I refer the hon. Gentleman ... As I have explained to him in my answer right now ... I just gave him an entire two paragraphs on the fact that the Paediatric Speech and Language Service has gone from two speech and language therapists to four under my hon. predecessor, Dr John Cortes, and I explained to him all of the services that are provided and that it consists of two separate caseloads, one for mainstream and another for special needs, with clinical leads heading each area.

1995

Hon. D A Feetham: So there, is at the moment, a speech and language therapist that is dealing with paediatric caseloads?

Hon. N F Costa: There are actually four.

Q258-264/2017
GHA posts –
Workers on fixed-term contracts

2000 **Clerk:** Question 258, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, have the 22 vacant posts occupied by subcontracted workers identified in answer to Question 518/2016 been permanently filled?

2005 **Clerk:** Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I will answer this question together with Questions 259 to 264.

2010 **Clerk:** Question 259, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, can the Government state how many workers currently working within Mount Alvernia are on fixed-term contracts?

2015 **Clerk:** Question 260, the Hon. D A Feetham.

Hon. D A Feetham: Can the Government state how many workers employed directly by the GHA are on fixed-term contracts?

2020 **Clerk:** Question 261, the Hon. D A Feetham.

Hon. D A Feetham: Can the Government state how many workers employed directly by the Care Agency are on fixed-term contracts?

2025 **Clerk:** Question 262, the Hon. D A Feetham.

Hon. D A Feetham: Can the Government state how many workers working within the Care Agency and the GHA are on fixed-term contracts with a Government-owned company?

Clerk: Question 263, the Hon. D A Feetham.

2030

Hon. D A Feetham: Of the previous four questions concerning fixed-term contracts within the Care Agency, the GHA and Mount Alvernia, please provide a schedule setting out (a) how many successive fixed-term contracts each worker has been engaged on and (b) the date each were first engaged on the first contract.

2035

Clerk: Question 264, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, in what Department within the GHA are the workers employed by the GHA on fixed-term contracts currently working in?

2040

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, it is hard not to press the buzzer when you know the answer to the question! *(Laughter)*

2045

Mr Speaker, subcontracted workers will be recruited as and when required.

There are three workers currently working within Mount Alvernia on fixed-term contracts.

There are 126 workers employed directly by the GHA on fixed-term contracts. It is pertinent to note that out of the 126 workers 55 are contracts of consultants and doctors who have been on fixed-term contracts, some for over 20 years. Her Majesty's Government of Gibraltar is confident that all consultants will enter into new and specifically negotiated contracts during the course of this year.

2050

There are 33 workers employed directly by the Care Agency on fixed-term contracts, eight of which are to commence employment on indefinite contracts as from 1st April 2017. This will reduce the number of workers employed by the Care Agency on fixed-term contracts to 25. Further, the Care Agency has recruited eight qualified social workers from UK agencies whose contracts will not be renewed after three years.

2055

There are no workers working within the GHA and the Care Agency on fixed-term contracts with a Government-owned company.

In relation to Questions 263 and 264, I now hand over schedules with the information requested, to the hon. Gentleman.

2060

Answer to Question 264 of 2017

Answer to Question 263

GHA

No of Employees issued a FTC	Amount of successive FTC	D.O.C
2	12 contracts per employee	Feb-97 (2 employees)
1	5 contracts per employee	Feb-98 (1 employee)
1	12 contracts per employee	Feb-01 (1 employee)
1	9 contracts per employee	Aug-03 (1 employee)
1	12 contracts per employee	Feb-03 (1 employee)
1	30 contracts per employee	May-03 (1 employee)
1	10 contracts per employee	Feb-04 (1 employee)
1	7 contracts per employee	Aug-05 (1 employee)
1	22 contracts per employee	Sept-05 (1 employee)
1	30 contracts per employee	Feb-05 (1 employee)
2	11 contracts per employee	Sept-06 (1 employee)
		Oct-06 (1 employee)
1	20 contracts per employee	July-06 (1 employee)
1	27 contracts per employee	Aug-06 (1 employee)
1	28 contracts per employee	Sept-07 (1 employee)
1	7 contracts per employee	Oct-08 (1 employee)
1	17 contracts per employee	Nov-09 (1 employee)
1	8 contracts per employee	Jun-10 (1 employee)
1	10 contracts per employee	Nov-10 (1 employee)
1	15 contracts per employee	Dec-10 (1 employee)
1	5 contracts per employee	Sept-11 (1 employee)
1	12 contracts per employee	Jun-11 (1 employee)
1	5 contracts per employee	Jun-12 (1 employee)
1	6 contracts per employee	Sept-12 (1 employee)
1	10 contracts per employee	Feb-12 (1 employee)
1	1 contracts per employee	Oct-16 (1 employee)
1	2 contracts per employee	Sept-13 (1 employee)
2	3 contracts per employee	Jun-13 (1 employee)
		Jul-13 (1 employee)
8	4 contracts per employee	Aug-13 (3 employees)
		Sept-13 (3 employees)
		Oct-13 (2 employees)
3	5 contracts per employee	
		Jul-13 (1 employee)

Cont...

Continued Answer to Question 264 of 2017

Continued Answer to Question 263

		Sept-13 (2 employees)
1	6 contracts per employee	Jul-13 (1 employee)
1	7 contracts per employee	Oct-13 (1 employee)
4	1 contract per employee	Apr-14 (1 employee)
		Sept-14 (1 employee)
		Oct-14 (2 employees)
1	2 contracts per employee	Feb-14 (1 Employee)
7	3 contracts per employee	Sept-14 (3 employees)
		Nov-14 (1 employee)
		Dec-14 (3 employees)
7	4 contracts per employee	Jan-14 (2 employees)
		Mar-14 (1 employee)
		Apr-14 (3 employees)
		Jun-14 (1 employee)
1	5 contracts per employee	May-14 (1 employee)
6	1 contract per employee	Jan-15 (1 employee)
		Apr-15 (1 employee)
		Aug-15 (1 employee)
		Sept-15 (1 employee)
		Oct-15 (2 employees)
16	2 contracts per employee	Jan-15 (1 employees)
		Feb-15 (1 employee)
		Mar-15 (1 employee)
		Apr-15 (1 employee)
		May-15 (2 employees)
		Jun-15 (1 employee)
		July-15 (3 employees)
		Aug-15 (4 employees)
		Nov-15 (2 employees)
6	3 contracts per employee	Jan-15 (2 employees)
		July-15 (2 employees)
		Sept-15 (1 employee)
		Nov-15 (1 employee)
2	4 contracts per employee	Apr-15 (1 employee)
		Sept-15 (1 employee)
1	5 contracts per employee	Sept-15 (1 employee)
21	1 contract per employee	Jan-16 (1 employee)
		Feb-16 (2 employees)
		Apr-16 (1 employee)
		May-16 (4 employees)
		Jun-16 (3 employees)
		Aug-16 (2 employees)

Cont...

Continued answer to Question 264 of 2017

Continued Answer to Question 263

5	2 contracts per employee	Sept-16 (6 employees)
		Oct-16 (2 employees)
		Mar-16 (2 employees)
		Apr-16 (2 employees)
		Sept-16 (1 employee)
6	1 contract per employee	Jan-17 (5 employees)
		Feb-17 (1 employee)

CARE AGENCY

No.of Employees issued a FTC	Amount of successive FTC	D.O.C
2	7 contracts per employee	Apr-10
		Dec-10
6	4 contracts per employee	Jul-13 (1 employee)
		Aug-13 (2 employees)
		Oct-13 (2 employees)
		Nov-13 (1 employees)
1	3 contracts per employee	Nov-13 (1 employee)
3	4 contracts per employee	Feb-14 (1 employee)
		Mar-14 (1 employee)
		May 2014 (1 employee)
10	3 contracts per employee	July-14 (6 employees)
		Aug-14 (1 employee)
		Sep-14 (1 employee)
		Oct-14 (1 employee)
		Nov-14 (1 employee)
3	3 contracts per employee	May-15 (2 employees)
		July-15 (1 employee)
14	2 contracts per employee	Jun-15 (2 employees)
		Aug-15 (3 employees)
		Sept-15 (8 employees)
		Nov-15 (1 employee)
4	1 contract per employee	Apr-16 (1 employee)
		May-16 (1 employee)
		Aug-16 (2 employee)
2	2 contracts per employee	Mar-16 (1 employee)
		Dec-16 (1 employee)

Contd Answer to Question 264 of 2017

Answer to Question 264

No of Workers	Department
6	Maternity Ward
12	Primary Care Centre
1	Victoria Ward
2	Captain Murchison Ward
4	Night Duty
2	Dudley Toomey Ward
7	John Ward
4	Rainbow Ward
4	A&E
10	Critical Care Unit
4	Day Surgery Unit
5	Operating Theatres
8	Ocean Views
2	Dental Department
47	Medical
1	Public Health
3	Radiology
3	Physiotherapy
1	Occupational Therapy

Hon. D A Feetham: Mr Speaker, now I understand, having heard the answer to these questions, why the hon. Gentleman came to this House with his cannons firmly locked and loaded, because he was obviously concerned about the answers that he had to give in relation to these questions.

In relation to Question 259 – can the Government state how many workers currently working... sorry, I beg your pardon, Question 258: have the 22 posts occupied by subcontracted workers identified in answer to Question 518/2016 been permanently filled – the answer the hon. Gentleman gave me was ‘that post will be filled as and when necessary’. Unless I have misheard him, that was the answer that he gave me. But of course that is an extremely evasive answer, does the Hon. Minister not agree, because in answer to Question 518/2016 he said there were 22 vacant posts within the Care Agency at the time, and then when I asked him the question about several ... I think it was last month or the month before – were there any vacancies, or how many vacancies there were within the GHA and the Care Agency, the hon. Gentleman said to me there were no vacancies.

Hon. N F Costa: That is right.

Hon. D A Feetham: No vacancies. The answer in 2016, towards the end of 2016, is there are 22 vacancies in the Care Agency.

Hon. N F Costa: Of care workers.

Hon. D A Feetham: Of care workers only, indeed. At the beginning of this year he tells me there are no vacancies in the Care Agency, and now when I ask him, ‘Of course, well, look, in the light of that answer that you have given me, that there are no vacancies in the Care Agency, which you gave me a couple of months ago, I ask how many of the posts of these 22 which the Government told me existed barely a few months before?’ he now says posts will be filled as and when.

Does he not agree with me that is an unsatisfactory answer that he has provided and it is an extremely evasive answer, and the fact is the Government does not want to come clean to this House providing statistics on what the true level of vacancies are within the Care Agency and the GHA?

Hon. N F Costa: Mr Speaker, I do not understand how the hon. Gentleman can construe my answers as anything other than extremely specific.

He tells me that I have come to this House with my cannons loaded as a result of the answers that I am going to give to him in answer to this question. The hon. Gentleman could not be more wrong. The reason why I come with my cannons loaded is because of the sheer nonsense that I have to reply to in press releases as a result of the incredibly incorrect information he is being fed with by a disgruntled mole. Mr Speaker, I should pay this mole personally, from my own pocket, so that he keeps feeding the Hon. the Leader of the Opposition such bloody nonsense, to be honest!

Mr Speaker, the hon. Gentleman really has the hard face of cement. The Hon. Leader of the Opposition, when he sat here as Minister for Justice, used to subscribe to the view that there were no vacancies in authorities and agencies. That view was presented by the best Gibraltarian of all time, Sir Peter Caruana, and when he was the Minister for Justice he never disputed that theory postulated by the greatest Gibraltarian of all time. Therefore, if it was good for the goose it is good for the gander, and if Sir Peter Caruana used to say that there were no such things as vacancies in companies, agencies and authorities and I stand up to say the same thing, and he did not utter a word of disapproval from these benches, then surely he has to agree with me that the answer I am giving him has to be specific, it has to be precise. It cannot be evasive, because I am emulating the greatest Gibraltarian of all time. So, unless he is saying that the

2115 greatest Gibraltarian of all time uttered falsehoods in this place, he has to agree with me that my answer is correct.

And in any case, Mr Speaker, does he not remember the most eloquent and erudite answer given to the Hon. Mr Llamas by my colleague, the Hon. Samantha Sacramento, when she explained the rudimentaries of these things to him? She said:

Mr Speaker, I appreciate that the hon. Member is new to this and I will of course be as helpful as I possibly can. Unlike the complement in the Civil Service, there is no such thing as a complement in agencies and that is the position that was taken by the GSD when they were in Government.

2120 So no, Mr Speaker, I did not come here worried or with my cannons loaded, to use his colourful metaphors, as a result of these answers. I am proud of the answers that I am giving and I am more proud of the work that I am conducting with Unite the Union that has resulted in an industrial relations review that has, for the first time since the Care Agency was set up by the previous administration, given them – consistently with their considerations of what are
2125 appropriate terms and conditions for them, concluded just the other day – a very satisfactory industrial relations review that actually values, truly values, the work that is conducted by care workers.

They did not do that, Mr Speaker. They did not conduct that industrial relations review. They were the ones who brought in fixed-term contracts and we, unlike them, who are consistent and
2130 would be embarrassed to present a political hypocritical discourse in this House and then outside ... When they stood up in this House and spoke about fixed-term contracts and they said, 'We will introduce fixed-term contracts because whilst we bring fixed-term contract workers from across the way, we will identify local, suitable people, whether in the UK or currently being trained in Gibraltar, to fill those posts.' And of course Minister Bossano, always being entirely
2135 consistent and true to his political beliefs, stood up and said:

Well, if the reason why you are bringing fixed-term contract workers from across the way is because you have identified suitable people to be trained or educated in the UK to fill those posts, then we will support the position.

And given that when the greatest Gibraltarian of all time expanded that philosophy he agreed and banged the table, he should agree and bang the table for my answers. (*Banging on desks*)

Mr Speaker: I think I should warn the Hon. the Minister for Health and the Hon. the Leader of
2140 the Opposition that they are now getting into debating territory and if they continue in this vein I will move on to the next question. So no debate, please.

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

2145 **Mr Speaker:** I do not have to tell them the object of Question Time: seek information, urge the Government to adopt a policy or a line of action, but no speeches. We have had enough speeches today.

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

2150 I am tempted to ask the hon. Gentleman by way of supplementary is he the GSD in disguise, because quite frankly he is using us to justify what are, quite frankly, in my respectful view, answers that are not straight answers. They are not straight answers. I will explain that and ask him whether he will review those answers in the light of what I am going to tell him now.

I do not agree with the way that he has characterised it, but whether our policy was that
2155 technically there were never any vacancies in the GHA or the Care Agency because there is a distinction to be drawn between that and the Civil Service ... in September when I asked the question about vacancies I was told that there were about 40-something vacancies within the

GHA. Okay? It is not the hon. Gentleman who answered the question; it was a written answer that was provided. That was the answer provided to me in September.

2160 Separately, my hon. Friend Mr Llamas asked on 29th September what vacancies there were within the Care Agency specific to care workers ... or the answer came back specific to care workers, and the answer was vacant posts pending recruitment – we all know the English language, Mr Speaker – the answer, vacant posts, recruitment, 22.

2165 And now the hon. Gentleman seeks to evade giving me an answer in this House by saying, ‘Well, because the policy of the greatest Gibraltarian of all time ...’ and everybody there on the other side laughing, including the Father of the House, who had innumerable battles with the greatest Gibraltarian ... or the greatest Gibraltarian of *our* time; that is what I said.

2170 Mr Speaker, the Government has got to make up its mind. Does he not recognise that there is a huge, monumental inconsistency in the way that the Government has been answering these questions across the floor of the House? And indeed it is only when I raised this issue publicly in my press releases, that so seem to vex the hon. Gentleman, that the Government’s position then changed and all of a sudden they decide, ‘Well, we’re not going to provide figures for vacancies.’ Does he not recognise that there is that inconsistency? For the sake of our friendship?

2175 **Mr Speaker:** A short answer – does the Hon. Minister recognise, or doesn’t he – and then we can move on to the next question.

Hon. N F Costa: Mr Speaker, my answers in this House have always been entirely consistent with the policies of the Government.

2180 **Mr Speaker:** Any other supplementaries on these number of questions that have been grouped together?

Hon. D A Feetham: None that I can think of Mr Speaker.

2185 **Mr Speaker:** Okay. Shall we move on to the next one?

Hon. D A Feetham: Yes. I will analyse them at home.

2190 **Mr Speaker:** Okay, fine.

Q265 and 266/2017

Intensive Care Unit employees –

Indefinite permanent and fixed-term contracts; recruitment consultants

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

2195 **Hon. D A Feetham:** Mr Speaker, how many staff working within the Intensive Care Unit are currently employed directly by the GHA (a) on indefinite permanent contracts and (b) on fixed-term contracts?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

2200 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, I will answer this question together with Question 266.

Clerk: Question 266, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, how many staff working within the Intensive Care Unit are currently employed directly by the GHA via the services of recruitment consultants?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, there are 20 nurses on indefinite contracts.

There are 10 less nurses on fixed-term contracts, two of whom will have their contracts varied to indefinite and the two nurses in question have already been informed.

Mr Speaker, temperatures may rise even further. I am astonished that the hon. Gentleman should not have withdrawn this question, given that he decided, contrary to parliamentary convention, to issue a press release having filed this question in this House. **(A Member: Hear, hear.)** The Hon. the Leader of the Opposition should by now surely know the conventions and the practices of this place. In any case, I am delighted to remind the House that the number of nurses under this Government has increased from 387 in 2010 to 473 last year – in other words, a staggering increase of 19%.

The numbers show an unprecedented level of investment in our clinical professional staff. Moreover, the fact that the Hon. the Leader of the Opposition issued a press release in circumstances where he had already filed a question in this House demonstrates that the Opposition is not at all interested in learning the answers to the question that they pose and are instead blatantly interested in cheap political theatrics and pathetic headline grabbing based on the mistaken information provided to them by this – I have to say wonderful – disgruntled mole. *(Laughter)* This in itself would be serious enough and is made more so by the fact that when the Opposition jump the gun in relation to our Health Services it only serves to worry the public and to denigrate the excellent clinical professionals at the GHA.

Further still, Mr Speaker, I make no apologies for the Government's policy to identify existing nursing staff to train in the various specialisms. As the House may be aware, the GHA is currently in the process of providing presentations to Westside and Bayside students highlighting the many different career pathways. The Government will continue to identify members of our community currently studying in the UK or already working, to train them in order to provide high-quality empathic and compassionate medical care.

Mr Speaker, whilst the role of the Opposition is to challenge the Government, it is not to cause undue and totally unwarranted, and more than likely malicious, concern by repeating in their press statements what is plainly and simply unsubstantiated gossip by their disaffected, but worth his weight in gold, disaffected informer. If the hon. Gentleman really wanted to know the answer to the question that he posed, he would have waited for my answer in Parliament.

I used to shadow the Health portfolio when I was in Opposition and I used to write to the then Minister for Health before issuing press releases, and I even used to counsel complainants not to issue press releases and to give the then Minister the opportunity to consider their cases and reply. The stark difference between them and us is that whilst I am still waiting for the GSD's Minister for Health to answer any one of my emails or phone calls in relation to individual complaints – and I had better sit down in my wait – the Opposition will have to admit that I answer every email, every phone call, every text, every WhatsApp, and meet them with their constituents if they so request. We therefore mark a profound difference, in that actually we also then proceed to resolve their constituents' issues.

Even further still, the hon. Gentleman would do well to learn from the Hon. Marlene Hassan Nahon, who has the decency to write to me first to enquire if there is any truth in any complaint made to her by any person. This must surely be because the hon. Lady fully understands that casting doubt on the quality of care in an intensive care unit can only create unnecessary panic among our community, which is something that she clearly does not want to generate.

For his part, the Hon. Mr Feetham has tried panic for votes over the Savings Bank. That did not work and Mr Bossano is taking more deposits than ever in the bank. He tried panic for votes

2255 over the natural gas facility. That did not work either, and we got more votes than ever in the last General Election. They tried panic over public finances for votes and that did not work either: Gibraltar is better off than ever under the Government. And now Mr Feetham is trying to create panic over our Health and ICU services, when we are investing more than ever in that service.

2260 Mr Speaker, in relation to answer to Question 266, there are none. (*Banging on desks*)

Chief Minister (Hon. F R Picardo): Well answered.

2265 **Hon. D A Feetham:** Mr Speaker, there I was, thinking that the Drama Festival had ended some months ago! (**A Member:** Hear, hear.) (*Laughter and banging on desks*)

At least nobody on this side of the House has participated in any Spanish programmes calling into question the services offered within the Care Agency here in Gibraltar. I cannot say the same about him, I have to say.

2270 Mr Speaker, I am very grateful for the answer and I am very grateful, in fact, for the press release that he provided that also shed some light in relation to this. But I want to focus on the decision, if there has been a decision. In fact, I will ask the first question: has there actually been a decision by the Government not to renew the contracts of four fixed-term contract nurses within the Intensive Care Unit because the Government has made a decision to basically train four local people, which we commend, four locals, but in substitution for four nurses whose
2275 contracts are coming up for renewal once they expire?

Hon. N F Costa: Mr Speaker, the hon. Gentleman needs the services of the memory clinic: the Drama Festival did not finish last month, it finished on Saturday. And no, Mr Speaker.

2280 **Hon. D A Feetham:** So can the Government then therefore guarantee and assure this House that the current complement of nurses there within the Intensive Care Unit, be it – well, those that are there on fixed-term contracts – that those are going to be maintained and that there is going to be no attempt to replace experienced nurses and the number of experienced nurses, a dilution of that, in favour of trainee nurses, however small that they may be?

2285 **Hon. N F Costa:** Mr Speaker, the hon. Gentleman has accused me of rattling off a press release, but clearly he did not read my reply. I told him in the reply to his press statement that the hard facts are strikingly clear. In May of 2011, when they were in Government, the CCU had 28 registered nurses; we have 30 registered nurses, an increase of two. When they were in
2290 Government, those 28 registered nurses comprised of two charge nurses; we have three charge nurses. And then 24 staff nurses; we have 27 staff nurses. So there has been no dilution, it has been quite the opposite: there has been an increase in the quality of the specialisms and the complement being provided in CCU, which is why I am telling him that he really ought to stop listening to this disgruntled mole. He ought to start thinking that maybe, just maybe, I am
2295 feeding him the information because every time he shouts on the back of that information he gets it horribly wrong.

Hon. D A Feetham: Mr Speaker, he seems to be obsessed by the mole, I have to say. And how does he know that it is just one mole? He keeps on going on about 'the mole, the mole, the mole'. It could be several moles for all that the hon. Gentleman knows. (*Interjection*) Well, no, they are all actually getting it right – that the answers that the hon. Gentleman chooses to provide me are half the truth and half not the truth. Well, that is another matter.

2300 Mr Speaker, it is obvious – because people have come to me, employees have come to me; they have come directly to me about this – that there is concern within the Intensive Care Unit, where there are a number of nurses ... The majority of them are actually foreign nurses, because
2305 this is a very specialised area. It requires training abroad and the specialism does not exist here.

People who have fixed-term contracts, who know that, for example, if they are employed under successive fixed-term contracts for more than four years they will acquire rights, and the intimation to them ... It has been on an informal basis, but the intimation to them has been that the Government or the GHA is not going to renew those contracts because they do not want people within the Intensive Care Unit acquiring permanent rights, and that therefore the Government is planning either to replace with a number of trainees or with contract staff – please listen to the question; you can deny it afterwards (*Interjection by Hon. N F Costa*) – contract staff, either from Medoc or other recruitment consultants.

Can he confirm and assure the House that that is not the intention of the Government – and of course he knows that when he gives me that answer I am going to be looking at this with a hawkish gaze in the future.

Hon. N F Costa: Mr Speaker, what a tangled web we weave when first we learn to deceive. And when he talks about half truths, surely he was referring to the witches and Lady Macbeth and he could have at least have quoted that paragraph for me.

In any case, I have just told him *again* that the complement of the CCU has gone up by two, that the number of qualified nurses has gone up from 24 registered nurses to 27. Therefore, it logically follows numerically, mathematically, logically, inevitably, inexorably, that there has been an increase in the quality and the specialism and the skills in care. Can he not see that if there were 28 in his time and there are two in our time that is two more? Can he not see that if there were 24 registered nurses and three enrolled nurses but with us there are 27 registered nurses, the skills have gone up? Can he not see that? Can he not add numbers? Can he not follow simple logic? The complement has gone up, the skills mix has gone up. It is, of course, not possible ever to replace a registered nurse with a trainee. Whoever is telling him that really has not got a clue what she is talking about. How could you possibly replace a CCU trained nurse with an assistant? Does he think I am mad? Does he think that I am so nationalistic that I would choose a Gibraltar nursing assistant over a Spanish registered nurse? Does he honestly think that? Does he think that I would put Gibraltar's patient safety at risk by way of hollow nationalism? Of course not.

When one goes into hospital, when one is admitted, one does not care who is in government and who is in opposition; one only cares about the quality of the service that one receives. One wants the best consultants, the best nurses and the best care. I have demonstrated to him – and he can check it with hawkish glare or with bunny eyesight (*Laughter*) – I have demonstrated to him, numerically, that under us specialisms are up, complements are up, skills are up, investment is up, 19% of nurses are up, and if he cannot do the mathematics, Mr Speaker, he should go back to school.

Hon. D A Feetham: Mr Speaker, the hon. Gentleman does not really need to get angry –

Hon. N F Costa: I'm not angry.

Hon. D A Feetham: – in the answer.

Hon. N F Costa: I have He enjoyed it thoroughly.

Hon. D A Feetham: Mr Speaker, he doesn't, he doesn't. Also, Mr Speaker, his unhealthy obsession with the mole should end. He has just described the mole as 'she'. I do not know how he knows it is a she; it may well be a he or a number of moles, as I have told him in the past.

But he has not answered the second part of the question. There were two parts to the question. I am satisfied with the first, I have to tell him, and I will continue to monitor Government policy. But the other question that I asked, the second part of the question, was: does the Government intend to essentially not allow those nurses within the ICU to serve out

those four years in successive fixed-term contracts, thus not allowing them to acquire permanent rights, and replace those people with subcontracted labour from Medoc or other recruitment consultants? I am asking about Government policy.

Hon. N F Costa: Mr Speaker, the hon. Gentleman, in his previous supplementary, said that there was some informal intimation about Government policy: there is no informal intimation of anything. The Government's policy, continuing *their* policy, is that we will bring fixed-term workers, with the skills necessary for any particular ward, for a fixed-term period. Fixed-term contracts: within the name lies the answer. They are brought in to fill in a gap in a skill that is required by the GHA, and because it is a fixed-term contract the person is told that he or she will be serving at the GHA for a fixed period of time – and for which we are eminently and forever grateful for the care they provide our community, but in order to give effect to the GSD's wonderful policy of bringing in fixed-term workers with a particular skills set for a period of time until local suitable people have been fully trained with the right experience, to be introduced in any of these areas. There is no intimation and it is not informal – it is the policy of the Government. I have said it here, I have said it in a press release, and I am repeating it to him again.

So, Mr Speaker, to answer his supplementary, the fixed-term worker will be told from the outset that the contract will not run beyond a certain period of time. Therefore the person has the choice and the right to say, 'I don't want to be here for two years, I don't want to be here for a year, I don't want to be here for three years – I want to be made indefinite from the get-go.' The GHA would reply, 'I am sorry, that is not the policy of the Government.' Therefore, the person has a right to either choose to stay or choose to go, and whilst they are here they will be treated with the rights and privileges of every other GHA employee and welcomed to the family.

But to follow that policy, whilst those fixed-term contract workers are providing the services we will be identifying suitable local people to be trained in the School of Health Studies – which is why we have it, which is why we allocate money for it every year – and we will also identify those Gibraltarians out in the world or being trained in the UK for when they come back they have a job, a satisfying career at home for which he and I, as taxpayers, have paid for their education.

So we make absolutely no apologies whatever, Mr Speaker, to scream from the rooftops and say calmly in this Parliament that it is the fixed policy of this Government to ensure that we have fixed-term workers to ensure quality and safe care, and then those persons will be thanked and then the contract not renewed.

Hon. D A Feetham: I am afraid, Mr Speaker, that is an unsatisfactory answer, and again he knows, he knows that he is evading the point because the reality is there are substantial numbers of nurses within the ICU who are on fixed-term contracts, who are on the second or their third fixed-term contracts, and he must know as well that those same people have been informally told, 'You're not going to get another contract, not because we are unhappy with the service you are providing but because we don't want you to acquire permanent rights.' (**Hon. N F Costa:** No.) Yes, Mr Speaker, and I am asking him again: is that or is that not Government policy?

Mr Speaker: I will allow the Minister to answer that question and then we are moving on to the next question.

Hon. N F Costa: Mr Speaker, the hon. Gentleman –

Mr Speaker: We are just having repetition and debate.

2410 **Hon. N F Costa:** Yes, Mr Speaker, I agree, and the hon. Gentleman should have some chai tea and relax; he should not get angry. *(Laughter)*

Mr Speaker, there is no intimation or informality. I have told him that it is the expressly, publicly stipulated ... of this Government, for which we make no apologies. If the result of that policy is what he says, he can colour it in whatever way he likes.

2415

Mr Speaker: Next question.

Q267/2017

Sponsored patients –

Policy re check-up and review appointments

Clerk: Question 267, the Hon. D A Feetham.

2420 **Hon. D A Feetham:** Mr Speaker, has there been a change in policy in relation to the ongoing check-ups and review appointments for sponsored patients?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

2425 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, there has been no change in policy.

2430 **Hon. D A Feetham:** Mr Speaker, the reason why I am asking this is because there have been individuals, patients, that have come to me, who would have in the past have had reviews in the United Kingdom, for example, which would have been their preference, but are now being told that that is no longer possible and the reviews have got to be here when they would feel more comfortable with having the reviews in the United Kingdom.

2435 Is the hon. Gentleman then saying, really, that the Government has not changed its approach from the past in relation to this and that there must be some explanation – some medical explanation, for example – as to why the review is happening here in Gibraltar? And in that case, Mr Speaker, can I refer those individuals directly to his Department so that the Department provides an explanation to them? Because obviously people who are being treated – for example, being reviewed in respect of cancers and things of the like – who are being told, ‘Well, you have got to do your review here in Gibraltar’ obviously are going to feel panicky, as is natural, and in circumstances where there might be a natural and quite acceptable explanation people jump to conclusions.

2440

Hon. N F Costa: Mr Speaker, there has been no change in policy; it may well be that the policy is now being more actively enforced. I am surmising as to why some persons who may have before gone for reviews to the UK are not being sent to reviews anymore.

2445 The hon. Gentleman should understand that these determinations are not made because of clients’ preference. In other words, he said to me that ‘some patients would prefer’. Well, clinical decisions are not made on patients’ preference. Clinical decisions are made on what the clinician determines to be the most medically indicated service or the most medically indicated intervention. For a person to be referred to the UK or to Spain there has to be a consultant who refers that person to the UK.

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2455 In the past what has happened as well is that UK hospitals, without appreciating that the person is Gibraltarian and not from the UK, may have sent the review date to the patient directly rather than to the Sponsored Patients department. Since I have become the Minister for Health I have more fully resourced within existing resources the Sponsored Patients department, and therefore, as a result of those additional human resources, they have been able to more actively manage to ensure that where services are being able to be provided locally and the clinician

determines that it should be provided locally, they ought to be provided locally. I am sure that the hon. Gentleman would agree that that is a very good thing, because it saves the expenses of sponsored patients where they do not have to be spent.

2460

Hon. D A Feetham: Yes, and it does seem to me that it does indicate that there has been a difference of approach. It is a question of semantics whether one calls it a policy or an approach.

What the hon. Gentleman is telling me is: I came in as a Government Minister, I looked at it, I resourced the sponsored patients department here in Gibraltar; as a consequence of that, we were able to review more people here in Gibraltar, and therefore, rather than have a situation where we are spending more money in getting them reviewed in the United Kingdom, we are doing it in Gibraltar.'

It does provide an explanation, but it does seem to me to indicate that that is a change of approach. Whether one calls it a change of policy or otherwise, it is a change of approach. It is a conscious decision by the Government to have more people reviewed here – (*Interjection*)

Hon. N F Costa: No, Mr Speaker, the hon. Gentleman is intent today on either misunderstanding me or repeating me and then characterising my remarks in a way that I have not uttered them.

I have said that, in the past, UK hospitals may have, accidentally and without meaning to, tried to arrange an appointment directly with a Gibraltarian patient. When a sponsored patient is referred by a consultant to the hospital in the UK with which the GHA has a service level agreement, the consultant's letter is necessary for the initial referral, investigation or procedure. Then the letter makes it clear that any subsequent reviews need to be done through Sponsored Patients. In the past, if a Gibraltarian patient may have received that reminder, rather than going through Sponsored Patients they may have decided to go ahead and keep the appointment. And then, of course, because the UK hospital would have emailed the patient in Gibraltar directly, the GHA would naturally – because we do tend to be as fair and as reasonable as humanly possible – that they would have paid for the trip – for the transport, for the flights and for the escorts. But because there is now a more active management of the existing policy, I can assure him that the policy remains the same as it was when my hon. predecessor, Dr John Cortes, was the Minister, but as a result of resourcing the Sponsored Patients department more from within the existing human resource capital of the GHA, they are just making sure that all sponsored patients' referrals are being done properly in accordance with the policy.

As I have just explained to him, money, thankfully – and, please God, may it continue forever – money does not factor into determinations by clinicians. In other words, if a clinician determines that a person in Gibraltar would be best served by some treatment which has been clinically tested and is proven to cure cancer, and it costs whatever, the clinician will make that determination and the GHA will actually pay for it. It is an important point to make, Mr Speaker, because in the NHS there are some cancer treatments that the NHS does not fund because of the cost – they consider it prohibitive – and because they may only extend the life of the person between four to six months. We, the GHA, on the other hand, if a clinician says, 'This treatment is available, it has been clinically tested, it is successful; it is going to cost you an arm and a leg but it will extend that person's life for a few months,' we will pay for it.

So, Mr Speaker, given the answer that the Hon. the Leader of the Opposition has made, I do not want anyone leaving this Chamber thinking for a moment that any choice is made depending on how much it costs. It is not, never has been and, please God, never will be.

Hon. D A Feetham: Mr Speaker, I am glad about that, but of course if it has all been clinician led throughout it is difficult to envisage why there has been this tightening up of the policy. But in relation to the tightening up ... That is what he is telling me: there is a tightening up of the policy. That is –

Hon. N F Costa: Enforcement of the policy.

Hon. D A Feetham: Yes, okay, tightening up the enforcement of the policy. My point is that if it were always clinician led, there would not have been a need to tighten up the policy – because it is clinician led.

Mr Speaker, does he have an idea of how much this is going to save if that is being done –

Mr Speaker: No, that does not arise. Out of order. It does not arise at all from the question.

Hon. D A Feetham: No, it arises from the answer that he has given me. He has said that effectively what the Government wants to do is ... that there is a wastage financially and therefore there is a tightening up of the policy so that it is dealt with here in Gibraltar.

Mr Speaker: He has just said that savings do not come into it, (*Interjections*) that the Government (*Interjections*) ... [*Inaudible*] on treatment which is recommended by the clinicians, and you are asking ... [*Inaudible*] It does not arise, I am sorry.

Next question.

Hon. D A Feetham: Well, Mr Speaker, how can you tighten a policy if it has always been clinician led? That is the question. If it has always been clinician led, how can you tighten up a policy, unless what he is really saying is that all he has done is ensured that those hospitals in the United Kingdom that used to send, according to him, these letters, no longer send these letters?

Hon. N F Costa: Mr Speaker, the hon. Gentleman really does need to just focus and listen to the very full answers that I give him, because I have explained what he is asking me in supplementary information, so I am not going to repeat it.

The record shows that the policy has always been that referrals to the UK for investigations, for opinions and for interventions, have always been determined by a clinician. And because there is now active management, or rather more active management of sponsored patients, where the services can be provided locally and the clinician determines that the appropriate level of service can be done locally, it is done locally according to that clinical determination.

Mr Speaker, the hon. Gentleman really is trying to be all things to all men. If I had stood here to say that there was a free for all in sponsored patients, he would be wagging his finger at me and telling me that I need to get control of the financial arrangements of the GHA, which no doubt will be his line at the Budget, because every time he talks about the GHA he says, 'Oh, it costs £7 million a year and we have got to get the most value for money for the taxpayer.'

Mr Speaker: The Hon. Minister is now debating. Please stick to the question in hand.

Hon D A Feetham: it is financially led.

Hon N F Costa: No.

Mr Speaker: Next question.

Q268 and 269/2017
Mount Alvernia nurses –

Direct employment; employment through recruitment agency

Clerk: Question 268, the Hon. D A Feetham.

Hon. D A Feetham: Thank you very much for answering my non-supplementary question.

How many nurses were employed directly by the Care Agency at Mount Alvernia as at 31st December 2012, 2013, 2014 and 2015?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

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Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I will answer this question together with Question 269.

Clerk: Question 269, the Hon. D A Feetham.

2565

Hon. D A Feetham: Mr Speaker, how many nurses were placed working within the Care Agency at Mount Alvernia through the services of a recruitment agency as at 31st December 2012, 2013, 2014 and 2015, identifying the recruitment agency?

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Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the answer is in the schedule I now hand over to the hon. Gentleman.

Answer to Question 269

Answer to Question 268

The following is a breakdown of the nurses employed directly by the Care Agency and Mount Alvernia:

As at 31 st December 2000	2 - SSA
	20 - Mount Alvernia
As at 31 st December 2001	2 - SSA
	20 - Mount Alvernia
As at 31 st December 2002	2 - SSA
	22 - Mount Alvernia
As at 31 st December 2003	2 - SSA
	22 - Mount Alvernia
As at 31 st December 2004	2 - SSA
	22 - Mount Alvernia
As at 31 st December 2005	2 - SSA
	22 - Mount Alvernia
As at 31 st December 2006	2 - SSA
	22 - Mount Alvernia
As at 31 st December 2007	2 - SSA
	38 - Mount Alvernia
As at 31 st December 2008	2 - SSA
	38 - Mount Alvernia
As at 31 st December 2009	2 - Care Agency
	39 - Mount Alvernia
As at 31 st December 2010	2 - Care Agency
	48 - Mount Alvernia
As at 31 st December 2011	2 - Care Agency
	47 - Mount Alvernia
As at 31 st December 2012	8 - Care Agency
	56 - Mount Alvernia
As at 31 st December 2013	8 - Care Agency
	57 - Mount Alvernia

Cont...

Cont. answer to Question 269

Cont. answer to Question 268

As at 31 st December 2014	8 - Care Agency 56 - Mount Alvernia
As at 31 st December 2015	9 - Care Agency 58 - Mount Alvernia

Answer to Question 269

The following are the number of nurses who were placed / working within the Care Agency and Mount Alvernia through the services of a recruitment agency:

As at 31 st December 2000	Nil - Elderly Care Agency (ECA) (ECA was formed Jan 2000)
As at 31 st December 2001	Nil - Elderly Care Agency (ECA)
As at 31 st December 2002	Nil - Elderly Care Agency (ECA)
As at 31 st December 2003	Nil - Elderly Care Agency (ECA)
As at 31 st December 2004	Nil - Elderly Care Agency (ECA)
As at 31 st December 2005	Nil - Elderly Care Agency (ECA)
As at 31 st December 2006	Nil - Elderly Care Agency (ECA)
As at 31 st December 2007	Nil - Elderly Care Agency (ECA)
As at 31 st December 2008	Nil - Elderly Care Agency (ECA)
As at 31 st December 2009	Nil - Care Agency (ECA & SSA became CA in May 2009)
	Nil - Mount Alvernia (part of ERS)
As at 31 st December 2010	Nil - Care Agency
	Nil - Mount Alvernia (part of ERS)
As at 31 st December 2011	Nil - Care Agency
	Nil - Mount Alvernia (part of ERS)
As at 31 st December 2012	Nil - Care Agency
	Nil - Mount Alvernia (part of ERS)
As at 31 st December 2013	Nil - Care Agency
	Nil - Mount Alvernia (part of ERS)
As at 31 st December 2014	1 - Care Agency - Grand Home Care
	8 - Mount Alvernia (part of ERS) - Grand Home Care
	12 - John Macintosh Home (part of ERS) - Grand Home Care
As at 31 st December 2015	2 - Care Agency - Grand Home Care
	10 - Mount Alvernia - (part of ERS) Grand Home Care
	12 - John Macintosh Home (part of ERS) - Grand Home Care

Q270/2017
GHA workers –
Identification of recruitment agencies

2575 **Clerk:** Question 270, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, in relation to Questions 152, 153, 154 and 155/2017, please break those figures down by identifying the recruitment agencies concerned.

2580 **Clerk:** Answer, the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the answer is in the schedule I now hand over to the hon. Gentleman.

Answer to Question 270 of 2017

Question 152 - Number of nurses within the GHA through the services of a recruitment agency	
Year	Agency Used
2012	5 Pulse Staffing Locum Agency (UK) 1 Team24 Locum Agency (UK)
2013	1 Pulse Staffing Locum Agency (UK) 1 Team24 Locum Agency (UK)
2014	4 Flex Staffing Locum Agency (UK) 1 Independently sourced
2015	5 Flex Staffing Locum Agency (UK) 1 Pulse Staffing Locum Agency (UK) 5 Nursdoc Locum Agency (UK)

Question 153 – Number of workers within the GHA through the services of a recruitment agency	
S&K recruitment	26 (Clerks)

Number of workers within the Care Agency through the services of a recruitment agency					
Question 154	ADA	Grand Home Care	S&K	JFM	JT Security
RGNs	3	1			
Care Workers	77	25	1		
Admins			9		
Counsellors			1		
Drivers					1
Maintenance/Hybrid/General Operative			2	1	
Domestics			14	11	
Cook		1			

Number of workers within Mount Alvernia through the services of a recruitment agency			
Question 155	S&K	Admiral Security	JFM
Admins	2		
Security		1	
Catering	5		
Domestics	2		3
Maintenance/Hybrid/General Operative	1		2

Q271 and 272/2017
Gibraltar Health Authority –
Vacant posts

2585 **Clerk:** Question 271, the Hon. D A Feetham.

Hon. D A Feetham: Please refer to Written Answer 51/2016. Which one of the vacant posts under the schedule headed 'Agencies, Authorities & Government Owned Companies (Gibraltar Health Authority)' related to the Gibraltar Health Authority? Note, the same schedule highlighting the relevant entries would suffice.

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

2595 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, I will answer this question together with Question 272.

Clerk: Question 272, the Hon. D A Feetham.

2600 **Hon. D A Feetham:** Please refer to Written Answer 51/2016. In relation to the heading 'Agencies, Authorities & Government Owned Companies (Gibraltar Health Authority)' in the schedule provided in answer to the question, please state (a) which agency, authority or Government-owned company each vacancy relates to (b) whether such vacancy has now been filled (c) whether it has been filled permanently or on a temporary basis (d) whether the vacancy has been filled by someone employed by those entities directly or through the placement of a worker via a recruitment agency (e) if employed directly by those entities, the length of the contract of service.

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

2610 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, as previously mentioned in answer to Questions 149 and 150 of this year, all posts within the Gibraltar Health Authority are covered, and as such there are no vacancies. What was provided in answer to Written Question 51/2016 was a snapshot of the vacant posts at that particular point and not necessarily vacancies going forward.

2615 I can inform the hon. Gentleman opposite that all posts are being actively evaluated. Where possible, the workload has either been redirected within the existing workforce or the post has been filled.

2620 **Hon. D A Feetham:** Mr Speaker, we have gone through this in the past in relation to a previous question, so I am going to limit my supplementaries.

Again I am not happy with the answer, Mr Speaker. In October 2016, which this question relates to – that is the month; Question 51/2016 – the Government at the time told me that there were ... I think it was about 45 – (**Hon. L F Llamas:** Seventy nine and a half.) Seventy nine and a half, I am told by my hon. Friend Mr Llamas. In fact, I had underestimated it from memory. So, if it is 79½ vacancies in 'Agencies, Authorities and Government Owned Companies (Gibraltar Health Authority)' and I have asked how many of those related to the Gibraltar Health Authority, the Hon. the Minister should be in a position to tell me, bearing in mind that the Government has answered, in October of last year, that there are 79½ vacancies in this area, including the Gibraltar Health Authority – I actually suspect they are all, or most of them, in the Gibraltar Health Authority – how many of them related to the Gibraltar Health Authority? Is he not at least prepared to provide me with that answer?

My second supplementary, Mr Speaker, to move it on, is he said some of them have been moved, some of them have been filled – is he not prepared to tell me how many of those 79½ that related to the GHA have actually been filled and how many have been 'moved on', as he put it in his answer?

Hon. N F Costa: Mr Speaker, we have just had the same debate not 15 minutes ago and I have already explained to the hon. Gentleman at least four or five times that the GHA does not have a fixed complement and that therefore vacancies do not exist.

When the clinical teams, whether the Medical Director, the Director of Nursing, the Director of the Allied Health Professionals or the manager of the hospital ... when I am advised that they require additional people, a study is carried out and if the case is made out then posts are advertised. I have explained that to him already.

Hon. D A Feetham: Mr Speaker, it really is completely unsatisfactory. (**Hon. N F Costa:** Why?) No, he can moan all he likes, but I get an answer in October when I ask how many vacancies there are within agencies, authorities and Government-owned companies, and I get the answer: Agencies, Authorities and Government Owned Companies (Gibraltar Health Authority), 79½. Now is he saying that the previous answer that the Government provided, 79½, was an incorrect answer? Or has there been a change in policy in the way that the Government answers questions before this House? Because clearly everybody can see there is an inconsistency.

I am just referring to an answer that has been provided to me. He can say to me, 'Look, Mr Feetham, out of that 79.5% none related to the GHA and there was a mistake in the previous answer provided by the Government when it said this includes the GHA.' I do not think it is correct, but at least it is a sensible answer, I could understand it; but what I do not understand is the Government answering 79.5 vacancies including the GHA in October of 2016, and now he tells me there are no vacancies and there has never been any vacancy in the GHA. I am sorry, but what it indicates to me is a Government intent on playing games, and because we have focused on the number of vacancies and because they do not want to disclose to people who may be disgruntled by the number of vacancies, they now decide to change their policy to say there have never been any vacancies in the GHA.

He knows I have got a lot of time for him, but he is really now stretching everybody's patience to the limit with the fine distinctions that he seeks to draw and the evasiveness in the answer.

Hon. N F Costa: Mr Speaker, in the same way that the hon. Gentleman did not understand what a short-term contract was between a fixed-term contract, and is a QC telling me whether we have any short-term contracts and there are in fact fixed term contracts, whether he says he has got time for me ... And he definitely has time for me; he spent seven minutes asking me I do not know how many questions. It is meant to be a supplementary question, one supplementary question at a time. I have written down seven supplementary questions in seven minutes. I wish he had a little less time for me in Parliament, Mr Speaker.

I do not know how else to tell him. My answers in this House have always been consistent. He quotes to me one answer given by this Government and I have quoted to him the answer already given by the Hon. Minister Sacramento that there are no fixed complements in authorities, agencies and Government-owned companies and that recruitment is taking place according to the demands of the service.

He has a very peculiar notion of how he defines reasonableness. He is not here to tell me how I should answer to satisfy him, and he is not here to tell me how he thinks I will satisfy and assuage the concerns of what he says are the disaffected members.

Mr Speaker, I see a lot of people in my office. I meet with the clinical nurse managers, I meet with the directors, I meet directly [inaudible] In fact, I am told off regularly for taking complaints directly from members of staff. I am told off regularly for taking complaints from people directly

2685 who have concerns with the Health Service. I have a very good idea of what is going on in the
GHA, an excellent idea of what is going on within the GHA because I am there every day and I
know what is going on. I can assure him that if the GHA required more people in any service we
would hire them in the same way that we increased nurses by 19%, in the same way that in
November we increased the number of consultants we are trying to recruit, in the same way
that we went from two speech and language therapists to four, plus one in ERS and plus one at
2690 the Bella Vista Day Centre.

Mr Speaker, does he not see that, under this Government, investment in the GHA has really
grown? Of course, not being at all conscious or being blithely unaware, consciously unaware of
the hypocrisy of his political discourse, he will today say here why aren't I filling the supposed
vacancies, but then in the next question or in the next breath or in the next press statement will
2695 accuse us of spending too much money in the GHA. The person who cannot have it either way is
him. Either we are spending too much money and we should put on the hand brake and stop
recruiting people, or we should fill what he says are those vacancies. He cannot have it either
way, Mr Speaker.

I have been entirely consistent. The policies of the Government have been expressly put
2700 forward by me. There are no informal intimations of anything: I carry out my business openly
and notoriously. My policies are set out in writing and if there is any issue with anyone they
need to see me. I dare say that I have received complaints from persons about their contracts
not being terminated and I have told them this: I am following the policies of the GSD.

2705 **Mr Speaker:** I am allowing one other supplementary and then we are moving on to the next
question.

Hon. D A Feetham: I am very grateful for Mr Speaker's patience, but unfortunately this is
about the answers that have been provided to this House. This is about the fact that the
2710 Government has provided an answer in October of last year saying that there are 79.5 vacancies
in Government agencies and authorities, including the GHA, and the hon. Gentleman cannot say
to me which ones of those 79.5 related to the GHA or did not relate to the GHA.

In answer, he has also said to me that the Hon. Minister Sacramento, in relation to the Care
Agency, provided an answer, and yet he has not been able to explain to me why, in an answer in
2715 September 2016, Minister Sacramento said 'vacant posts pending recruitment, 22'. Not 'there
are no vacancies because the policy, because we simply recruit people as and when'; she said
'vacant posts pending recruitment, 22'. And then, in a bulletin issued by Unite to its members, it
says:

Vacancies, GHA – all existing vacancies are being brought to the Minister's attention as a matter of urgency and
will be dealt with ASAP.

2720 Unite the Union. Mr Speaker, I suppose that what he will say to me, and I am asking is, all this
is wrong and the position that the Hon. Minister is now taking is the correct one.

Hon. N F Costa: Mr Speaker, if he knows the answers to his own questions he should not be
asking them, but maybe the Hon. the Leader of the Opposition thinks that if he repeats the same
thing again and again he may somehow convert me to his position. Mr Speaker, that is never
2725 going to happen.

The Hon. the Leader of the Opposition refers to a bulletin of Unite that was dated, if I recall,
sometime in –

2730 **Hon. D A Feetham:** 17th January this year.

Hon. N F Costa: – January of this year. But he then will have recalled, surely – because time moves on, it is not static – that that same entity which he has quoted here today and which he has quoted in a press release and which he has repeated again and again, has also issued a statement jointly with the Government, and they have said that they have drawn a line in the sand in respect of those affected members which they thought ought to be converted from fixed-term contracts to indefinite contracts. So yes, Mr Speaker, I am satisfied with the position, I am satisfied with my answers. That same entity which he quotes in respect of the bulletin has also already come out publicly with us to say that they are now satisfied that they can draw a line in the sand, that they are happy with the work that the Government has conducted in respect of their previously affected members.

Q273 and 274/2017
Care Agency and GHA –
Payments and receipts

Clerk: Question 273, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, can Government state what have been the payments made by the Care Agency, and separately the GHA, for this financial year to 30th September 2016 and 31st January 2017, with a breakdown for personal emoluments, industrial wages, other personnel and employer contributions, and other recurrent expenditure?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I will answer this question together with Question 274.

Clerk: Question 274, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, can the Government state what have been the receipts of the Care Agency, and separately the GHA, for this financial year to 30th September 2016 and 31st January 2017?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, in accordance with the practice of providing tentative figures at the mid-point of the financial year – that is for 30th September – limited to the summary of heads of expenditure, the payments for the GHA and the Care Agency were as follows. September 2016: GHA, £57,087,460; Care Agency, £7,283,682.

In respect of the answer to Question 274, at September 2016: GHA, £10,815,583; and the Care Agency £2,952.

Hon. D A Feetham: Mr Speaker, again, unfortunately, this falls short of the answer that I was seeking from the hon. Gentleman.

I should explain to this House, Mr Speaker, that this is a question that is verbatim, word for word, except for the fact that I perhaps went a little bit too far in asking for the information up to 31st January 2017. But if you omit 31st January 2017 and just restrict yourself to 30th September 2016, which is six months after the end of the last financial year, it is a question, word for word, both of them, that the Hon. the Father of the House used to ask when he was on

this side of the House, and indeed the Hon. the Minister for Health and Social Services – for the Care Agency, I should say – used to ask when he was on this side of the House. And when we were on the other side of the House we used to provide a full answer to this particular question, so therefore, given that the Hon. Minister Costa has provided to this House during the course of this evening a masterclass as to how to be the GSD in disguise, and bearing in mind that he also used to ask this very same question when he was on this side of the House, may I ask him to provide a full answer to this question.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):

Mr Speaker, the Government has already stated the policy of information that it will provide for the estimated six months' expenditure. That information was provided to the Hon. Mr Clinton and that is the information that will be provided. The agencies were not included there because they were not included initially in the answers that I used to get, and therefore the same information is being provided in respect of the agencies, which matches quite closely what is in the book in terms of the amount that is provided from the Department to the agencies but is not necessarily an exact coincidence of figures.

Hon. D A Feetham: Yes, Mr Speaker, I understand that, but what he has not done and what the Government is refusing to do is to provide us with the same information which we used to provide them when they used to ask for this information. The full breakdown was provided. I have gone back to *Hansard* and the full breakdown of everything that I asked was provided by the GSD Government to the Hon. the Father of the House – and indeed, more pertinently, to the Hon. Mr Costa. No doubt on Minister Bossano's instructions he used to ask this particular question, because it has Minister Bossano's prints all over it and I just cannot see on what basis the Government is now refusing to provide those answers.

Hon. J J Bossano: On the basis that that is the policy that I informed the hon. Member we were adopting in answer to Question 243, where I said that we would be providing tentative figures up to September and that they would be provided with the same caveats that they could not be relied on to be an indication of the full year and that they would be provided in January in respect of the figures up to September, and having informed the hon. Member in March 2016 that that was the policy, I have to tell him that in March 2017 it continues to be the policy. If, in fact, he is now saying that they used to do more in that respect, perhaps that must be the exception to the rule because in almost every other respect we do more than they did, by far.

Hon. N F Costa: By far.

ADJOURNMENT

Mr Speaker: May I invite a Government Minister to move the adjournment of the House.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):

Mr Speaker, I have the honour to move that this House do now adjourn until tomorrow at 3 p.m.

Mr Speaker: The House will now adjourn until tomorrow at three in the afternoon.

The House adjourned at 7.39 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.06 p.m. – 4.40 p.m.

Gibraltar, Thursday, 30th March 2017

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The Gibraltar Parliament

The Parliament met at 3.06 p.m.

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

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

Questions for Oral Answer

CHIEF MINISTER

Q306 and 307/2017

Housing Works Agency –

Future role and manning levels; Early retirement and exit packages

Clerk: Meeting of Parliament, Thursday, 30th March 2017.

We continue with answers to Oral Questions. We commence with Question 306. The questioner is the Hon. Roy Clinton on behalf of the Hon. E J Reyes.

5

Hon. R M Clinton: Mr Speaker, can the Government provide details of its intentions for the future role and manning levels of the Housing Works Agency?

Clerk: Answer, the Hon. the Chief Minister.

10

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer this question together with Question 307.

Clerk: Question 307. The Hon. R M Clinton on behalf of the Hon. E J Reyes.

15

Hon. R M Clinton: Mr Speaker, can the Government provide details of any early retirement or exit packages it is offering employees of the Housing Works Agency?

Clerk: Answer, the Hon. the Chief Minister.

20

Hon. Chief Minister: Mr Speaker, a review is currently being undertaken to identify the Housing Works Agency's requirements looking towards determining its future resources, roles, staffing levels and responsibilities.

25

Hon. R M Clinton: Mr Speaker, I thank the Chief Minister for his response. I seem to recall that he made an announcement or pronouncement on I think it was *Viewpoint* about a new exciting maintenance programme for housing estates. Would he care to elaborate on that; and if so, how might that interface with the Housing Works Agency?

30

Hon. Chief Minister: No, Mr Speaker.

Hon. R M Clinton: Mr Speaker, no he does not care to elaborate, or is it no there is no new exciting maintenance project for the housing estates?

Hon. Chief Minister: No, I would not care to elaborate, Mr Speaker.

Q308 and 309/2017
Eastside reclamation –
Beautification works; Blue Water Project

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

Hon. T N Hammond: Mr Speaker, can the Government say what beautification works have taken place in the Eastside reclamation since the start of 2012?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer this question together with Question 309.

45 **Clerk:** Question 309, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government provide an update in respect of the Blue Water Project announced in June 2015; specifically, is it still intended to build a superyacht luxury marina and a five-star hotel?

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

Hon. Chief Minister: Mr Speaker, since the start of 2012 the Eastside reclamation has seen many changes. It was a plot of 78,500 m² when we took over; it is now a plot of 95,000 m². We grew it in part by pushing a lot of the rubble mountain into the sea and adding an additional revetment. That served to level part of the plot out for a time.

The position in respect of the Blue Water Project remains as set out already repeatedly each month to the hon. Gentleman.

60 **Hon. T N Hammond:** Mr Speaker, I thank the Chief Minister for his response and note that clearly the reclamation area has been expanded in terms of square metreage, but the question was what beautification works have taken place – I wonder if he could elaborate on whether any actual beautification of the area has taken place since 2012.

65 **Hon. Chief Minister:** Well, Mr Speaker, I would swear I have seen some candytuft there. (**A Member:** Yes, good.)

The answer I gave set out to the hon. Gentleman the fact that what was at one stage a higher mountain was flattened out, and in that respect I think we changed the aspect of it. Beauty, however, remains a matter that is in the eye of the beholder. I think every time Mr Bossano passes it and sees the opportunities for further expansion of plot and reclamations elsewhere in Gibraltar using the builders rubble, he sees something quite beautiful to behold. Others of us might think that if we are not careful and candytuft takes hold there, then the Hon. the Minister for the Environment is never going to allow us to flatten the plot again.

75 So the hon. Gentleman has seen what we have done in respect of the plot. Part of what we intended was to see how quickly we could flatten that plot. We flattened part of it for a while.

The builders' rubble has built up again. The builders' rubble is actually an asset in the hands of the Government because it does lead to potential reclamation, so he will see some movement in respect of that plot both in relation to the reclamation and material that is there in the future.

Q310/2017
Coaling Island –
Update re reclamation project

Clerk: Question 310, the Hon. R M Clinton.

80

Hon. R M Clinton: Mr Speaker, can the Government provide an update in respect of the Coaling Island major reclamation project referred to by the Chief Minister in his 2016 Budget speech, and can he also advise if this is to be purely residential, industrial or commercial in nature?

85

Clerk: Answer, the Hon. the Chief Minister.

90

Chief Minister (Hon. F R Picardo): Mr Speaker, no, sir. Negotiations on finalising this project are currently ongoing. The Government will make a public announcement on this when these negotiations have been concluded.

95

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his answer, but is he able to provide any specific answer in respect of whether it is anticipated the project would be residential, industrial or commercial in nature in terms of what will be built on it?

Hon. Chief Minister: Well, Mr Speaker, I do not envisage it is going to include any industrial activity being located on that site, but there may be some element of work done there which is not industrial. There is an industrial facility there at the moment in respect of yacht repair, but I do not envisage any industrial activity on such a plot.

Q311/2017
Private property developments –
Waiver of import duty

100

Clerk: Question 311, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if it has waived import duty in respect of the construction, fitting out of and equipping any private property developments; and if so, for which?

105

Clerk: Answer, the Hon. the Chief Minister.

110

Chief Minister (Hon. F R Picardo): Mr Speaker, yes, but without a relevant time period designated in the question it is, however, impossible to provide any further detail in answer to this question.

Hon. R M Clinton: Mr Speaker, if I may address you – if I were to table a rephrased question in future, would you allow it if I put in a timeframe? Thank you.

Q312/2017
Universal Credit Scheme –
Rollout to pensioners on low income

Clerk: Question 312, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government provide an update in respect of the Universal Credit Scheme rollout to pensioners on low income?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government expects to make a statement in respect of assistance to be provided to private sector pensioners on low incomes in the context of the new financial year.

This class of pensioners has been ignored for many years. This Government has repeatedly met with them and has worked on proposals to assist. We have been the only Government to listen and we are expecting to be able to assist those in need.

Given that this group were ignored by the GSD when they were in Government, it is quite something to see the party opposite do a volte-face in their apparent engagement with this group now. Perhaps they would have the courtesy to explicitly condemn the Government in which the current Leader of the Opposition sat as a Minister, for ignoring these pensioners. They might also congratulate us for having engaged with them.

Hon. R M Clinton: Mr Speaker, may I ask the Chief Minister if it is still the intention that this Universal Credit Scheme would involve the assistance or participation of Community Care?

Hon. Chief Minister: Mr Speaker, I think it is fair to say that a full statement will be made of the detail of the provision that will be made for pensioners on low incomes who are in need of further assistance in the context of the new financial year, and that will contain details of who it will be that will be engaging in providing that assistance.

Q313-314 and 318/2017
Occupational pension schemes –
Private sector workers

Clerk: Question 313, the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if it is to conduct a consultation on the introduction of compulsory pension schemes in the private sector?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer this question together with Questions 314 and 318.

Clerk: Question 314, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, does the Government intend to introduce legislation making occupational pension schemes compulsory in the private sector?

155 **Clerk:** Question 318, the Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What is the Government's policy in relation to private sector workers' pensions?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, I am surprised to receive two almost identical questions from the Leader of the Opposition and the Deputy Leader of the Opposition. It is almost as if they are not talking to each other.

165 Mr Speaker, our policy in relation to pensions in the private sector is set out in our manifesto at page 51 and provides as follows:

PENSIONS FOR THE PRIVATE SECTOR Pensions will be introduced for employees in the private sector. This will not, however, be done without a thorough consultation with the business representative organisations, namely the Chamber of Commerce and the Federation of Small Businesses and the relevant trade unions, in particular Unite the Union which has led on this policy area. We acknowledge that there are some sectors which have a very high turnover of staff, for which pensions may not be appropriate for their workers. We also acknowledge that this is an additional cost to business, which many small businesses may not be able to bear and which we have to ensure is ameliorated in order to keep Gibraltar attractive as a place to do international business. Working together with all sectors, we believe we can get the balance right.

Mr Speaker, as I told the House in my Budget address of last year at paragraph 325 under the heading 'Pensions in the Private Sector', I said this:

We have commenced the process of consultation with Unite the Union and the Federation of Small Businesses and the Chamber of Commerce in respect of the potential introduction in Gibraltar of pensions in the private sector. Given the BREXIT decision, we will not be progressing this process in this financial year whilst we observe the effects on the economy of the result of the vote of the British people.

170 Mr Speaker, Mr Clinton's question was therefore unnecessary, unless he was not listening to my Budget address; Ms Hassan Nahon's question was therefore unnecessary, unless she had not read our manifesto, although I do note that she did not have responsibility for those matters at the time of the election when she was in the other party; and Mr Feetham's question was obviously entirely unnecessary, unless he is not aware that Government can only implement such a policy by compulsion by legislation.

175

Hon. R M Clinton: Mr Speaker, I am grateful for the Chief Minister's reading of the GSLP manifesto, which sounds sweeter in his voice than in mine.

180 Yes, I have read the Chief Minister's Budget address and the manifesto. My question was really ... and you did state quite clearly in your Budget address that you would effectively suspend the process due to Brexit. My question was aimed at are you going to now conduct this consultation, given the time period that has elapsed. So, to perhaps clarify my question, my question to the Chief Minister is: are you now going to continue with that consultation process, and if so ... have you or have you not recommenced that process?

185 **Hon. Chief Minister:** Well, Mr Speaker, his question does require a lot of clarification, because if you read his question you do not see that it is about recommencing any process. His question is 'Can the Government advise if it is to conduct a consultation on the introduction of the compulsory schemes in the private sector?'

190 He says he has read my speech – at least that is what I thought I heard him say from a sedentary position – well, he obviously also heard my speech, because he was here in this House to hear it. He says he enjoys hearing me read him the GSLP manifesto. Well, Mr Speaker, I commend to him the fact that we have our manifestos available for those who might not be able to read on ... we had it on our website, but you can even get your iPad to read it to you, given

the technology these days. He may then find that if he listens to it often enough the policies might commend themselves to him in a more favourable way.

Mr Speaker, we conducted a consultation. We will go back to the process of continuing that consultation during the course of the financial year that starts on 1st April, because the effects on the economy that we have observed do not suggest that we should not continue to pursue this important policy area, which I hasten to add was only a policy defended by the parties represented on this side of the House at the last General Election.

Hon. Ms M D Hassan Nahon: Mr Speaker, if I may, I am grateful to the Chief Minister for his information.

I just want to say that, to be perfectly clear, my argument or my question does not stem from actually the merits of the pension itself. It stems from the fact that I have met with the Pensioners Association a few times and I have attended meetings, and they are deeply aggrieved and let down because they claim, a body of at least a hundred people, that they were going to be dealt with much sooner and in a much more personal way. They claim that they also have been trying to reach the Chief Minister and have not managed to meet with him until they have meetings, when they are promised something on the eve of the meeting and then they do not hear from them again for nine months.

So perhaps there are merits – and I would not doubt it, especially in this economic climate – but the problem I have is that they seem very, very let down and they feel like they are being passed around like a football with no clarity at all. So this is what I would ask the Chief Minister to address.

Hon. Chief Minister: Well, Mr Speaker, the hon. Lady raises a more human problem than just the issue of policy. If I may say so to her, we interpreted her question to be about pensions in the private sector, i.e. for people who are working now. So I apologise to her if I have answered her in respect of that policy proposal and not in respect of those who are currently pensioners already, who do not have the benefit of a private sector pension income.

In that respect, if I may say so with respect to the hon. Lady, she does have to factor in – as I think she generously has in the way that she has postulated her question, but far too early on for it to sting by the time that she sat down – that these are difficult times. There are only 24 hours in a day and there is a lot to do in the context of the international issues facing Gibraltar, and it is not just the Private Sector Pensioners Association that is having difficulty getting the Chief Minister's time; it is the Chief Minister himself who sometimes has difficulty finding time to do some of the most basic necessities, not that those necessities are necessarily interfered with because I do, sometimes, some of my best reading as I am doing some of my most basic necessities, but let us ... A bit too much detail there. And then they say we are not transparent, Mr Speaker! But if I may put it this way, Mr Speaker, we have ... In the question I answered earlier I did say to the House that we were the – *(Interjection and laughter)* Don't tempt me, I'll just keep talking about the same *(Laughter)*

Mr Speaker, what I said before was that *(Interjections and laughter)* we have met with that association more than anybody has. We have committed ourselves to deliver something to pensioners who are in need. We have not been able to do so yet, that is absolutely true. They wish we had done so already. We wish we had done so already. Nobody else gave them the time of day before 2011. We have given them the time of day, we have given them the time to understand their issues and we have not yet been able to deliver in respect of those who most need us to deliver in that sector. But we will, and what we are trying to do is deliver in this financial year. We said we would ensure we finished all of our considerations before the end of this financial year – I believe we have, and therefore we will deliver to them.

What I would just say to those pensioners who the hon. Lady brings to my attention is that many of them are very good friends of mine, from the time that we have been dealing with this issue and from before. They are not far from our thoughts, but it is very difficult because there

are just 24 hours in a day and there is a lot to be done at the moment to determine what is a greater priority than dealing with the future international issues affecting Gibraltar today, but we are going to deal with them and deliver for those most in need. And then I think I should also seek to indulge their generosity, because I know they are people who by dint of their age have lived through some of the challenges Gibraltar has already surmounted that we are at such a stage of challenge that getting time with me and with other Ministers who are relevant is slightly harder than any of us might wish it to be – for them, for family and everything else – because of this moment in our history.

But we are on it. We will deliver on our promise to ensure that those most in need have additional resources available to them. They are far from forgotten – and look, it may be that we have not had the chance to sit down and give them the warmth that they not just obviously crave, given what the hon. Lady has said, but they deserve because they are people who have worked in our economy for many years and I am always very keen to recognise that the Gibraltar that I lead today is the Gibraltar built on the backs of those who have worked in our economy for years. So they will have an opportunity to meet with us and they will have an opportunity to see what we are proposing will be what delivers for those most in need and they are far from forgotten. I thank her for raising the human aspect of this rather than the policy aspect of this, which is what I dealt with in the context of my answer.

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Chief Minister for his very detailed answer. Could I commit the Chief Minister to a timeline for when this Association will have their attention and their commitment?

Hon. Chief Minister: They have had our commitment, Mr Speaker; they have had our attention. The implementation of the work that we are going to do, which I think is what she wants to see me committed to, is something that will be envisaged as from the beginning of the new financial year. The new financial year starts over this weekend. I think we will be in a position to make announcements in respect of this new financial year when we usually do, which is in the context of the Budget – but I am not going to say ‘in the Budget’, I am going to say ‘in the context of the Budget’, because as she has heard me say before, this may not be something that the Government becomes involved in, for reasons that I would rather not ventilate across the floor of the House.

Hon. D A Feetham: Mr Speaker, may I drill down in relation to Government policy on the consultation side. Is it the case that the Government is still committed in principle to the introduction of this piece of legislation – occupational pension schemes – and that the consultation exercise may concentrate on the mechanics and, for example, the scope? Just to give the Hon. the Chief Minister an example, perhaps extending it to larger companies exempting smaller companies, or is it all in the air? In other words, is it also in the air that the Government might in fact take the view that it will not introduce any kind of legislation in relation to occupational pension schemes across the board?

Hon. Chief Minister: Mr Speaker, page 51 of the GSLP manifesto for the election provides all of the answers that the hon. Gentleman needs. I will read him again the paragraph I read a few moments ago – Mr Clinton might quite enjoy it:

PENSIONS FOR THE PRIVATE SECTOR Pensions will be introduced for employees in the private sector. This will not, however, be done without a thorough consultation with the business representative organisations, namely the Chamber of Commerce and the Federation of Small Businesses and the relevant trade unions, in particular Unite the Union which has led on this policy area. We acknowledge that there are some sectors which have a very high turnover of staff, for which pensions may not be appropriate for their workers. We also acknowledge that this is an additional cost to business, which many small businesses may not be able to bear and which we may

have to ensure is ameliorated in order to keep Gibraltar attractive as a place to do international business. Working together with all sectors, we believe we can get the balance right.

Mr Speaker, that covers all of the issues that the hon. Gentleman has asked me in his supplementary.

Hon. D A Feetham: Mr Speaker, unfortunately the way that the hon. Gentleman chooses to answer questions and the acerbic nature in which he responds then leaves us both to enter into what the Hon. the Speaker of the House calls a debate, and I have no wish to do so.

The position then – and this is the reason why I have asked the question – is that there is no change from the position as expressed in the GSLP manifesto in 2015, because of course my understanding is that that commitment and that wide commitment in the way that the hon. Gentleman has just now read it, has in fact been superseded by the Brexit vote and that therefore the Government's thinking may have changed. But if the answer is actually the Government's thinking has not changed, because it is exactly the same consultation as we would have undertaken in any event because we won the election, it was a manifesto commitment, well, so be it, but I was just simply trying to drill down as to how the policy has changed as a consequence of the Brexit referendum. But it appears, from what he is saying to me, is that really it has not changed, because it was always envisaged that there would be a consultation exercise and that consultation exercise is going to be on everything ... principle ... as the hon. Gentleman has just read in the manifesto, which I am not going to repeat.

Hon. Chief Minister: Well, Mr Speaker, the hon. Gentleman seems not to read the questions that his newly elevated Deputy files and does not seem to listen to the supplementaries that his newly elevated Deputy puts, because the Hon. Mr Clinton has just asked me, 'So what's going to happen – are you going to continue with the policy, or not?' and I said to him, I said to the House, we were going to observe the effects, we have observed the effects, we are going to continue next year with the consultation and implementation. So, asked and answered, Mr Speaker.

Mr Speaker: Next question.

Q315 and 316/2017

Tax rebates –

Entitlement, overall value and number of payments

Clerk: Question 315, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, how many individuals or entities are currently entitled to tax rebates, and what is the overall value of rebates due?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer this question together with Question 316.

Clerk: Question 316, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, how many tax rebates have been paid out to individuals and entities entitled to the same since 1st April 2016?

Clerk: Answer, the Hon. the Chief Minister.

335 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as the hon. Member has not provided a date on his question seeking overall rebates due. It is not possible to answer his question accurately where the only parameter of time is 'currently'. In the past he has rightly asked for the figures as at 31st March, a figure which is obviously not yet available for this year.

340 Since 31st March 2016, which is the parameter in respect of Question 316/2017, the total value of rebates paid in this financial year amounts to £9,635,381.54 paid to 10,399 individuals and 65 entities.

Hon. D A Feetham: Mr Speaker, in relation to Question 315, in the absence of a specific date it is the latest date that is available to the Government. Does he have the figure therefore the latest date available to the Government?

350 **Hon. Chief Minister:** No, Mr Speaker, it is not, in the absence of a date in a question, that it is the latest date available to the Government. Questions are for a particular date; they are not simply to be assumed to be the latest figure available to the Government, because even the latest figure available to the Government is something that moves all of the time. The latest figure available when I receive a question, the latest figure available when I deliver an answer to a question. That is why most questioners in any Parliament will know to give a date for when they are asking for a particular set of information. And it is something that he has done in the past. Last time he asked this question he asked as at 31st March 2016. Well, the next 31st March is coming up now and he can ask about the information as at 31st March 2017. He can ask for it broken down by quarters – he may want to ask every quarter about it – but if he says 'currently' ... Well, Mr Speaker, 'currently' means something in his head when he writes a question, something else to somebody who is preparing an answer and something else when I stand up in this House and I answer.

360 **Mr Speaker:** Rather than have a debate on the matter, could I just suggest to the Hon. the Leader of the Opposition that he puts in a question for the next meeting and I will have no problem in allowing it, and then I think we can get on with business.

365 **Hon. D A Feetham:** Mr Speaker, of course I have no wish to raise temperatures, but if I ask how many individuals or entities are currently entitled to tax rebates it means now, and the reasonable thing for the Government to do is to provide me with the most recent figures, because I am asking about now.

370 But of course I will, Mr Speaker, (*Interjection by Mr Speaker*) ask the question next time round, and then I will just simply add a particular date if that is what the Chief Minister wants me to do.

375 **Hon. Chief Minister:** Mr Speaker, because 'now' is the same as 'currently', and now is one thing when he files the question, another thing when we are answering the question and quite another when I am answering. Whilst if we have a particular date, then I can confirm to the House the accuracy of the figure that is provided, because if then there is a discrepancy in the figure he comes back and tells me that I have got it wrong. So I very much welcome Mr Speaker's suggestion that a question is put with a particular date. It would then be able to be provided with information which is accurate.

380 **Mr Speaker:** Before the next question is called, I would like to draw the attention of hon. Members to 'Rules governing right to ask questions', 17(3):

a question must not publish any name or statement not strictly necessary to make the question intelligible;

Arising from that, could I therefore ask both the Leader of the Opposition and the Chief Minister, who is answering the next question, not to name any person in the course of supplementaries.

The Hon. the Leader of the Opposition.

Q317/2016

**Former General Secretary of GGCA –
Assistance to Government**

Clerk: Question 317, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, of course.

What does the former General Secretary of the GGCA do for the Government?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, the former General Secretary of the GGCA assists the Central Human Resources Department and the Chief Secretary's Office in matters relating to industrial relations – e.g. historical claims both individual and collective, job descriptions, pensions issues and grievances.

Hon. D A Feetham: Mr Speaker, is he a consultant for the Government?

Hon. Chief Minister: I do not believe so, Mr Speaker.

Hon. D A Feetham: Mr Speaker, he certainly describes himself as a consultant for the Government in his LinkedIn profile, and the reason why I ask this question is, of course, because he does not appear in the list of consultants that the Government of Gibraltar publishes.

If he is not a consultant, is he then employed by the Government directly on a fixed-term contract or any other kind of contract, or is he employed by the GDC or any other Government-owned company? Does he have that information?

Hon. Chief Minister: Mr Speaker, he has a services agreement with the Government of Gibraltar. Frankly, I do not think I am answerable for what somebody may or may not have said in their LinkedIn profile, that is for sure.

Hon. D A Feetham: Mr Speaker, I am just concerned about the accuracy of information that has been posted and I have asked in the past about consultants working for the Government. Whilst in the past I have also agreed not to ask the Government and push the Government in relation to any consultant whose appointment may be sensitive to Gibraltar plc as a whole, this is not such a case. Therefore, having seen that he does not appear on the list, having seen that he describes himself as a consultant in his LinkedIn profile, and indeed, from the answer that the hon. Gentleman is in fact giving me, that he has got a services agreement, well, a services agreement is perhaps not incommensurate with this particular gentleman being a consultant.

Would the hon. Gentleman go back and have a look at this and perhaps clarify whether he is a consultant – and if he is not a consultant, what is he: is he a fixed-term employee of the Government – so that we understand the nature of the obligations of the Government in relation to this individual and the individual to the Government.

Hon. Chief Minister: Well, Mr Speaker, I do not think there is anything to go back to. It is a services agreement with the Government of Gibraltar; it is not a consultancy agreement. He provides services to the Government. Those services are not described as consultancy services; they are services which are provided when required.

If the individual in question has decided that he wants to describe himself as a consultant, well, okay, that is a matter for him, but he is certainly not a consultant as far as the Government is concerned. He is somebody who has a services agreement with the Government. He is a service provider. We have many of them and I do not think anybody could stretch the definition of consultant to include those people who provide services to the Government within that definition.

Hon. D A Feetham: Well, Mr Speaker, unfortunately I disagree. There is a distinction between a contract for the provision of services or a services contract, which is akin to an employment contract, and this is why I am attempting to drill down here – and not in relation to this particular gentleman necessarily, although of course I noted, having seen his LinkedIn profile, that he was not on the list of consultants. It is in relation to perhaps others who may have a contract for the provision of services to the Government that may be akin to a consultancy agreement and do not appear on the Government website in relation to the list of consultants. Because of course it is a matter of interest to the Opposition as to what services are being provided and by whom to the Government in particular areas and whether people are being left out of that particular list.

Hon. Chief Minister: Well, Mr Speaker, I still have to tell the hon. Gentleman that I disagree with him – I disagree with his disagreement with me – because by his attempt to extend the definition of consultancy we should be putting Master Services on the list of consultants to the Government because Master Services has a services agreement with the Government. The hon. Gentleman knows that there is a contract for service and contracts for services, and Master Services has a contract for services and Michael Tampin has a contract for services. Neither of them, Mr Speaker, have a consultancy agreement with the Government of Gibraltar, so neither of them are consultants.

Hon. D A Feetham: Mr Speaker, next time round I will ask a question about individuals and services agreements with the Government.

Hon. Chief Minister: Next time round, Mr Speaker, I will provide the answer to that question. *(Laughter)*

Hon. D A Feetham: I doubt that very much! I have to say!

Hon. Chief Minister: With everything else, however ridiculous the question may be with everything else that is going on in Gibraltar.

Q319 and 320/2017
Registered charities –
Timely filing of accounts; Charities Commissioner

Clerk: Question 319, the Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What policy and procedures do Government have in place to ensure that the accounts of registered charities are filed on time?

Clerk: Answer, the Hon. the Chief Minister.

475 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 320.

Clerk: Question 320, the Hon. Ms M D Hassan Nahon.

480 **Hon. Ms M D Hassan Nahon:** What is the role of the Gibraltar Charities Commissioner and to whom is he or she answerable and accountable to?

Clerk: Answer, the Hon. the Chief Minister.

485 **Chief Minister (Hon F R Picardo):** Mr Speaker, charities are registered with the Board of Charity Commissioners for Gibraltar and are answerable to that said board, not to the Government. The Board of Charity Commissioners for Gibraltar is an independent regulatory body governed by the Charities Act.

490 **Hon. Ms M D Hassan Nahon:** Thank you for that answer.
If I had any queries as to why ... For example, if I had written to the Charities Commissioner and had received no reply, would the Government be able to point me in the right direction as to whom I should take this up with, or has it got nothing to do with that at all? Or can it understand perhaps why either a Member of Parliament or a member of the public would want to have some kind of ability to reach the Charities Commissioner?

495 **Hon. Chief Minister:** Mr Speaker, for 'Charities Commissioner' read Financial Services Commissioner in the old nomenclature. These are independent statutory bodies – for example, the Data Commissioner – and if one of them fails to answer correspondence ... Well, look, I am the Leader of the House – the House funds these organisations, so of course it would be something I could follow up with them, but it would be very unusual, in my view, to see that correspondence is not eventually followed up, even if it might not be followed up as quickly as an hon. Member might like, but I think she should persevere in seeking engagement from the Charity Commission and from the Gibraltar Charities Commissioner. We are not, in my view, the port of call with responsibility for the Charity Commissioner to answer correspondence or otherwise.

505 My advice – and I do not think I am being asked for more than that in the context of the supplementary – is to seek engagement with the Board of the Charity Commission or to persevere in correspondence with the Chairman of the Board of the Charity Commission.

510 **Hon. Ms M D Hassan Nahon:** Thank you for that answer; I am grateful. If, for example, I had bumped into the Charities Commissioner down the street and asked him why he had not answered my email and he directed me to a civil servant for more information, where would the Government fit in if the Government says that it has nothing to do with it?

515 **Hon. Chief Minister:** Well, because I think in the architecture of the Board of Charity Commissioners their day to day is handled by civil servants who are provided almost on secondment to them for the purposes of that part of their work.

520 It is a little like Mr Speaker's other role as Mayor, where he is supported in his functions by civil servants, but when they are with the Mayor's office they are acting independently and for the Mayor's office in the discharge of his functions, which are non-partisan and non-governmental – they are municipal.

So I would take up the offer of the Charities Commissioner to liaise with those civil servants he may have been directing her to in their capacity as those who are seconded to him for the purposes of the service that he provides, I assume, as Secretary to the Board.

Q321/2017

**Government charitable contributions –
Safeguards to ensure efficient spending**

525 **Clerk:** Question 321, the Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What procedures and safeguards does Government have in place for when Government itself makes contributions to charities, to ensure that moneys are spent efficiently and correctly?

530

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government relies on the Charities Commissioner to oversee the operation of charities.

535

Mr Speaker: Does he reply to the letters? *(Laughter)*

**Suspension of Standing Order 7(1)
to proceed with Government motion and Bills**

Clerk: Suspension of Standing Orders. The Hon. the Chief Minister.

540

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with Government motions and Bills.

Mr Speaker: I put the question in the terms moved by the Chief Minister under Standing Order 7(3) in order to suspend Standing Order 7(1) and enable the House to proceed with a Government motion and Bills. Those in favour? **(Members: Aye.)** Those against? Carried.

**Mayor and Deputy Mayor of Gibraltar –
Mrs Kaiane Lopez GMH
and Mr John Gonçalves MBE, GMD appointed**

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

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

This House:

Appoints Mrs Kaiane Lopez GMH to be Mayor of Gibraltar, and Mr John Gonçalves MBE, GMD to be her deputy as from Tuesday 4th April 2017.

Mr Speaker, I think it is true to say that in the context of Kaiane Aldorino, as she was known, and her trajectory through the Miss World contest, every Gibraltarian will remember where they were when she, Kaiane Aldorino, was crowned Miss World.

It was a propulsion of the name of Gibraltar into the consciousness of everybody, the many millions of people who might have been watching the Miss World show, and in Kaiane Aldorino we saw appointed to that position a Gibraltarian who really embodied the best of what Gibraltarians represent. She was not just a young Gibraltarian woman; she was a young Gibraltarian woman who is known for her generosity, who is known for her kindness and who, on the occasion that she won Miss World, managed to do so also because she brought great dancing attributes to the role that she discharged and also great sporting aptitude to the role that she was undertaking while competing in Miss World.

That was some time ago now and I think the welcome that Gibraltar gave Kaiane when she returned to Gibraltar – then under the former administration, who flew her to Gibraltar on a private aircraft to ensure that she was here at the time that the celebrations were fixed to go on – I think the welcome was so rapturous that it demonstrated how Gibraltar had taken Miss Gibraltar, who had left the Rock, and Miss World, who came back to the Rock, into our collective heart for the way that she had managed to propel Gibraltar's name around the world.

Mr Speaker, when it was proposed in the context of a Cabinet meeting that she might be a fitting person to appoint as Mayor of Gibraltar, there was a unanimous view across the Cabinet table that she represented somebody who young people would be able to associate with and therefore that the mayoralty would be associated not just with distinguished Gibraltarians like yourself, who are now discharging that role, but also with young Gibraltarians of distinction, like Kaiane, who might now assume the role and bring something to it which is different to the things that other mayors have brought.

If I may say so with respect to you, because you are here in your role as Speaker but you have also discharged the role of Mayor on two occasions, you have done, of course, a magnificent job in the role and you have brought your own style to the role of Mayor. Every Mayor brings their own style, brings their own aptitude to the role. Every Mayor we have had, I think, without singling anybody out, has done Gibraltar proud in the time that they have been Mayor, and I think appointing a person who is likely younger than other Mayors have been in the past will bring also something which is different to the mayoralty and something that will perhaps ensure that younger people associate themselves with the work of the mayoralty. And that work, Mr Speaker, I think is so hugely important in the context of Gibraltar today, because the mayoralty represents municipal Gibraltar, represents all Gibraltarians – it represents civic Gibraltar in a way that perhaps politicians might not be able to do because politicians represent the people of Gibraltar politically and internationally but we do not represent that civic municipal Gibraltar which is reserved to the mayoralty.

So I think that Kaiane Aldorino was absolutely a good proposal as Mayor of Gibraltar. I think she will serve, if the House agrees, with great distinction in the role of Mayor of Gibraltar and that by the time she leaves the role she will have been a great Mayor of Gibraltar and she will have perhaps lit in other young people, and other young women in particular, an understanding of what the civic and municipal role of Mayor is and what involvement in Gibraltar's civic affairs is all about, and perhaps even kindle in some young people a better understanding of the political hierarchy of Gibraltar – something that I think would be a very good thing indeed.

Mr Speaker, to appoint somebody as a Deputy to Kaiane who will in future assume the role of Mayor, we are proposing John Gonçalves, a man who has been known not just for his service in the Civil Service – I remember in the old days when I started my career in the law, he had been a man who had served with great distinction in the Supreme Court – but also somebody who has served in the private sector in Gibraltar and who has represented Gibraltar internationally in his role in basketball. He has been one of the members of the board of the International Basketball Federation, one of the movers and shakers of Gibraltar sport, and I hope he is not listening when I describe him as a person who is advanced in years compared to Kaiane. So there is, I think, a

balance also of John's age versus Kaiane's age and he will be able to bring, in support of Kaiane, all of the experience that he has had of representing Gibraltar internationally in the sport of basketball.

Mr Speaker, both John and Kaiane are people who have represented Gibraltar already, as I have said, in their respected fields internationally with great distinction. John is well known as 'Mr Basketball' in Gibraltar and he is 'Mr Gibraltar' in basketball internationally, so we thought Miss Gibraltar and Mr Basketball might not make a bad combination for the mayoralty. I think they will bring something different to the mayoralty and I very much look forward to seeing them impress their own style on the mayoralty. I think that they are choices which can be commended to the House and I am sure that all Members of the House will then enjoy the benefit of seeing Kaiane and John discharge their respective functions and will welcome the work that they will do. No doubt they will make us feel welcome in the many civic functions to which Members of this House often find themselves invited at the behest of Mayor and Deputy Mayor.

Mr Speaker, it would be remiss of me to sit down without thanking you, and in particular your wife Julie, for the work that you have done when you have once again assumed the mantle of the role of Mayor. Having done so during the course of your political life, you agreed to step in when I asked you to return also to that civic role. I think you have done so much for Gibraltar in the time that you have discharged that function. As Speaker you do so much for us in this House. At the same time as you have been Speaker you have also generously assumed the role of Mayor and you have brought to that role your usual kindness and your gentlemanly self, and I could not think of a better way to have seen Gibraltar represented at a municipal and civic level in the past years than by yourself, and of course by Julie. Although we shall miss you in the robes and with the chain of office, as Speaker you will no doubt continue to be an important feature of all the functions that the Mayor organises, so you are not going to get away from us quite as quickly as you might have wished.

I think the House will want to join me, not just, I hope, by acclamation of appointing Kaiane and John, but also by acclamation thanking you and Julie for the service you have rendered on the second occasion that you have held the distinguished role of Mayor. (*Banging on desks*)

Mr Speaker: I now propose a question in the terms of the motion moved by the Hon. the Chief Minister.

The Hon. the Leader of the Opposition.

Hon. D A Feetham: Mr Speaker, it is convention on these occasions, unless of course there is a particular controversy in relation to the appointment, for the Opposition to support the Government and the Government's judgement in relation to these particular issues. On the last occasion that we were here with a mayorship, unfortunately there was disagreement because of Tony Lombard at the time, but I have no hesitation, on behalf of the Opposition, in supporting the appointment of Kaiane Aldorino and Mr Gonçalves in relation to Deputy Mayor.

The Hon. the Chief Minister is absolutely right: the mayorship has to be, as indeed any other aspect of public and civil life, representative of society. I cannot, on my feet, think about any other Mayor that has been appointed – that has actually been appointed certainly in modern times – who has been less than 50 years old, and therefore the appointment of somebody who is young, somebody who brings a fresh image – with respect to Mr Speaker – to the role of mayor is likely to be beneficial and is likely, in my view, to attract and perhaps engage with young people, which is so difficult in civil life nowadays.

Her achievements, Mr Speaker, are there for everybody to see. Kaiane Aldorino winning Miss World is a moment that everybody will remember, and everybody will probably remember where they were at the time when she was appointed Miss World. I certainly do and it was a magnificent achievement, and therefore it is not only because she is young that this

appointment and this honour is bestowed upon her, but it is also because of her achievements and what she has done in order to bring Gibraltar and place Gibraltar on the map.

655 Mr Speaker, in relation to Mr Gonçalves, I think the Hon. the Chief Minister is also right: Mr Gonçalves is somebody who has done a lot in order to put Gibraltar on the international map as far as basketball is concerned and I have no hesitation, on behalf of the Opposition again, to support the Government in relation to his appointment as Deputy Mayor.

660 All that remains, Mr Speaker, is for me to thank Mr Speaker and his wife Julie, as the Hon. the Chief Minister has done, for their service and for the distinction that he has brought to this particular role. He knows that there was some disagreement at the beginning in relation to the appointment, but I have to say that in relation to the way that the Hon. Mr Speaker has discharged his role as Mayor he has always been exemplary, as far as I am concerned, and I echo the words of the Chief Minister in that regard and I thank Mr Speaker for everything that he has done in that role as Mayor on behalf of Gibraltar. *(Banging on desks)*

665

Mr Speaker: Before I put the question, does any other hon. Member wish to add to the debate? Yes, the Hon. Ms Marlene Hassan Nahon.

670 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I am very happy to see that somebody like Kaiane is going to have the opportunity to be Mayor of Gibraltar.

675 There has been some controversy which I have seen around in social media, talking about whether it is justified for the winner of an international beauty pageant to take this job, and I have to say that perhaps on the outset, as a woman, my feminine streak would have coldly been minded to go with that. But we have to remember that this appointment does not come as a result directly of winning a beauty contest, it is what it represents, and when Kaiane won Miss World what she showed Gibraltar was so many things – that we could aim high, that we could pitch above our weight and that we could do great things. And as the Leader of the Opposition and the Chief Minister have said, we all remember where we were when Kaiane won and we all remember how it unified us and how elated and proud we all felt, and how we felt that we could aim high, and Kaiane did this for all of us. Since then, she has continued her good work in the charities field and she has always been giving of her time. She is a generous and lovely lady who is always willing to serve the community, and these are exactly the types of people we need to perform these civic roles. So it does not matter whether she won a beauty contest, a chess tournament or the opportunity to train with the NASA space centre; it is what she did for Gibraltar, how she unified us and how she has become a worthy ambassador for Gibraltar. This is why I think she will do her job with distinction and I am grateful for my part in advance that she has taken this task, which as you know is a big ask.

685 I take this opportunity to thank you, and your wife as well, for all the commitment that you have shown, and also of course I endorse the appointment of John Gonçalves as Deputy Mayor – again, another man who has served the community in many capacities and I am sure will perform his duties with distinction.

Thank you. *(Banging on desks)*

695 **Mr Speaker:** Anybody else before I ask the mover to reply? The Hon. the Chief Minister.

Hon. Chief Minister: Thank you, Mr Speaker.

I think it is important to reflect on some of the things that the hon. Lady has said.

I have not detected any of that reference that the hon. Lady has referred to in social media, but if it is there it is right that we should address it in this House.

700 Not only do I remember where I was when Kaiane won Miss World, Mr Speaker, I remember what I did, because I almost broke my ankle! I whooped and I jumped out of the chair I was sitting in at home at Willis's Road. I could not quite believe that Gibraltar had won through all of what appears to be the politics of a competition like that. I think the hon. Lady has reflected it

properly: she made us realise that we could win and I think she did that beyond the ambit of a simple competition like Miss World. We have seen UEFA since then, we have seen FIFA since then both recognise Gibraltar. All of these things are linked in different ways, and if there is one thing that I might ungenerously have thought at the time that Kaiane Aldorino won Miss World, it was that Spain had never won it before Gibraltar had won it. They have won it since and I am very pleased that they did, for them, but Gibraltar took a crown that had not been taken by those who deny us our own existence.

I think, therefore, that it is absolutely right that we should reflect on that and also on who Kaiane is today, because Kaiane today is not the girl who won Miss World: she is a mother. She is a much more mature Gibraltarian woman than she was on the day that she won Miss World, but when she won Miss World, as a very young Gibraltarian woman then, she did a magnificent job of representing Gibraltar internationally and we were all so proud in that year to see Kaiane representing Gibraltar as she carried the crown of Miss World. In the past period she not only has become a Gibraltarian mother, she has also been your Deputy Mayor, so she has been exposed to the mayoralty and, if I may say so, on occasions you have had a need to ask Kaiane to discharge some of your functions and she has done so with great distinction. I think anybody who thinks that she might not be up to it has failed to follow the growth that Kaiane has demonstrated and the work she has already done as Deputy Mayor.

Mr Speaker, I think she is a magnificent representation of what Gibraltarian women can achieve. She is taking on the mantle of the mayoralty at a time when she has also just had a magnificent, beautiful child, so it will be onerous for her in that way. Mr Speaker, I think, will recall that when you had taken the mayoralty before, you had young children on that first occasion. It is not going to be easy. The mayoralty requires functions at times during the day when one would perhaps prefer to be or be required to be home with the children, so there will be an element of sacrifice on her part as well, as there is always in public life.

So I think it is right for the hon. Lady to raise these issues which may have been raised in social media, if they have been, and that we should confront them head on and tell those people who are making those assertions that they are wrong and that we are sure in this House that Kaiane Aldorino – or Kaiane Lopez, as she is now – will do an excellent job. As the motion sets out clearly, she is the holder of Gibraltar's Medallion of Honour, which was bestowed upon her, I believe, by the former administration – not the Medallion of Distinction but the Medallion of Honour, which is the highest civic honour, short of the Freedom, that this House can bestow – and so the Mayoralty is, in my view, absolutely appropriately passing into her hands.

Mr Speaker: Before I put the question, may I thank hon. Members – the Chief Minister, the Leader of the Opposition and Miss Hassan Nahon – for their very kind words in respect of myself and my wife.

May I ask leave of the House also to say, if I may – I should not, but I cannot help it (*Laughter*) – Kaiane is already an institution. When you speak of Winston, everybody knows it is Churchill. When you speak of Federico, people know it is García Lorca. When you speak of Kaiane, all Gibraltarians know whom you are speaking of.

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

Order of the Day

BILLS

FIRST AND SECOND READING

Private Foundations Bill 2017 – First Reading approved

Clerk: Bills, First and Second Reading.

A Bill for an Act to permit the establishment of private foundations in Gibraltar, to determine the legal status of such foundations, to restrict the purposes for which such foundations may be used, to regulate the creation, operation and management thereof and to provide for the winding up of any foundation so created and for matters incidental thereto including but not limited to the establishment and conduct of a register of private foundations.

The Hon. the Minister for Commerce.

Minister for Commerce (Hon. A J Isola): Mr Speaker, I have the honour to move that a Bill for an Act to permit the establishment of private foundations in Gibraltar, to determine the legal status of such foundations, to restrict the purposes for which such foundations may be used, to regulate the creation, operation and management thereof and to provide for the winding up of any foundation so created and for matters incidental thereto including but not limited to the establishment and conduct of a register of private foundations be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to permit the establishment of private foundations in Gibraltar, to determine the legal status of such foundations, to restrict the purposes for which such foundations may be used, to regulate the creation, operation and management thereof and to provide for the winding up of any foundation so created and for matters incidental thereto including but not limited to the establishment and conduct of a register of private foundations be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Private Foundations Bill 2017 – Second Reading approved

Clerk: Private Foundations Act 2017.

Minister for Commerce (Hon. A J Isola): Mr Speaker, I have the honour to move that the Bill be now read a second time.

In 2012 the Gibraltar Society for Trusts and Estate Practitioners proposed a number of legislative reforms to the Ministry of Financial Services in the area of trusts and family offices. *Inter alia*, these proposals included a recommendation for the introduction of foundations legislation providing for the establishment of private foundations in Gibraltar.

The introduction of foundations legislation provides additional choice and flexibility for the fiduciary sector of the financial services industry and its clients whilst allowing Gibraltar to continue to meet international standards through high standards of transparency and compliance. The Ministry resolved in principle that foundations should be introduced and directed STEP to prepare the relevant legislation with the help of the Government law officers.

Private foundations have existed in Europe since at least 1926 and were introduced to provide a civil law equivalent to common law trusts. Foundations are structures that can be used in similar circumstances to traditional family trusts, but are familiar to clients and intermediaries with a civil law background. As foundations, unlike trusts, are legal entities, they will, in accordance with Gibraltar's legal tradition, be entered onto a public register which will be administered by the Gibraltar Registry.

The demand for foundations appears to arise primarily from a need for structures that can be used in similar circumstances to traditional family trusts but are familiar to clients and intermediaries with a civil law background, as I mentioned earlier. There is demand for foundations which are domiciled in a well-regulated, co-operative and transparent jurisdiction.

Mr Speaker, I commend the Bill to the House.

Mr Speaker: Before I put the question, does any hon. Member wish – (*Interjection*) I am sorry, Minister, I think this was switched on. I think it will have gone into *Hansard*, though. He may have been off screen, that is all.

Before I put the question, does any Hon. Member wish to speak on the general principles and merits of the Bill? The Hon. Mr Clinton.

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

Having spent a substantial part of my former career in the private sector in financial services, I can only too readily understand the need as a jurisdiction to provide new products for potential clients. We have to constantly keep on reinventing ourselves and making sure that what our product offering is, is up to date and is what the market is demanding.

Seeing as this legislation is actually a product of what I imagine is quite extensive private sector consultation – and I am sure the Minister has taken on board all aspects of any concerns that may or may not be had – we on the official Opposition have no problem supporting this Bill, and I welcome the fact that there is going to be a publicly searchable register of foundations, which in this day and age I think is important.

So, on that basis, as I say, it will be a welcome addition to our financial services product offering, and on the side of the official Opposition we have no problem in supporting it.

Mr Speaker: Does the hon. mover wish to reply?

Hon. A J Isola: No, Mr Speaker. I am grateful to the hon. Members opposite for their support. I think it is a product that we do need to, as you said, in terms of products, need to keep reinventing ourselves and making sure we are ahead of the time. In that respect and with this product in particular we have been rather tardy because of the amount of work that has gone into its preparation by the private sector, to whom of course I am extremely grateful, in particular to STEP.

Mr Speaker: I now put the question, which is that a Bill for an Act to permit the establishment of private foundations in Gibraltar, to determine the legal status of such foundations, to restrict the purposes for which such foundations may be used, to regulate the creation, operation and management thereof and to provide for the winding up of any foundation so created and for matters incidental thereto including but not limited to the establishment and conduct of a register of private foundations be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Private Foundations Act 2017.

**Private Foundations Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

830 **Minister for Commerce (Hon. A J Isola):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today if all hon. Members agree.

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

**Income Tax (Amendment) Bill 2017 –
First Reading approved**

835 **Clerk:** A Bill for an Act to amend the Income Tax Act 2010. The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Income Tax Act 2010 be read a first time.

840 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Income Tax Act 2010 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Income Tax (Amendment) Act 2017.

**Income Tax (Amendment) Bill 2017 –
Second Reading approved**

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

In parallel with the Private Foundations Bill 2017, which has today been presented – in fact, a moment ago – by the Hon. Minister for Commerce, Mr Isola, I am pleased to present this Income Tax (Amendment) Bill 2017.

850 What this Bill aims to do is to regulate the taxation of Gibraltar private foundations which are established and registered under that very Private Foundations Act 2017 and sets out the required changes for the Income Tax Act 2010 that establishes the parameters for that taxation of foundations, the beneficiaries and the taxation of the foundations themselves.

Mr Speaker, I commend the Bill to the House.

855 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the merits and principles of this Bill?

I will now therefore put the question, which is that a Bill for an Act to amend the Income Tax Act 2010 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

860 **Clerk:** The Income Tax Amendment Act 2017.

**Income Tax (Amendment) Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken later today if all hon. Members agree.

865 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

**Crimes (Amendment) Bill 2017 –
First Reading approved**

Clerk: A Bill for an Act to amend the Crimes Act 2011. The Hon. the Minister for Health, Care and Justice.

870 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Crimes Act 2011 be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Crimes Act 2011 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

875

Clerk: The Crimes (Amendment) Act 2017.

**Crimes (Amendment) Bill 2017 –
Second Reading approved**

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I have the honour to move that the Bill be now read a second time.

880 This Bill as originally published contained two amendments to the Crimes Act 2011. The main amendment is the fulfilment of a GSLP Liberal manifesto commitment to introduce a new and specific offence dealing with the problem of so-called revenge porn. The second amendment in the Bill as published is the offence of grooming.

885 At Committee Stage, Mr Speaker, I will be moving amendments to the Bill following representations made to me by the Gibraltar Women's Association. These amendments create a new specific offence of sexual communication with a child.

890 The new revenge porn offence is based on the equivalent UK offence of disclosing private sexual photographs and films with intent to cause distress, which was introduced in the United Kingdom in 2015. Legislating for such a separate and distinct offence is not just a manifesto commitment but also, in our view, particularly important given the rise of social media in Gibraltar as elsewhere. Gibraltar must make it absolutely clear that as a society we will not tolerate this behaviour. The message we send is that no one should feel free to inflict the distress and humiliation that this particularly invasive and hurtful crime causes on its victims.

895 Mr Speaker, moving on to the specifics of the offence, it is committed if private sexual photographs or films are shown to other persons without the consent of an individual who appears in the photograph or film and with the intention of causing that victim distress.

There are, of course, a number of defences. These include the disclosure being necessary to prevent, detect or investigate crime; the disclosure being made in specific journalistic

circumstances; or where the defendant shows that he or she reasonably believed that the photograph or film in question had been shown for profit.

900 The maximum sentence for this offence is of two years' imprisonment. The fact that the offence will exist does not mean that other current offences may not also be charged in appropriate circumstances. Rather, Mr Speaker, it increases the range of options available to our law enforcement agencies when dealing with such cases. There are already offences under Part 6 of the Crimes Act that may be relevant if the facts show a pattern of harassment and also
905 offences under the Communication Act of 2006 which prohibit the sending through a public electronic communications network of a certain type of message. Of course, should the images be of a victim under the age of 18 or the publication be intended to be used to coerce victims into further sexual activity, other offences under the Crimes Act will also be relevant and engaged.

910 Mr Speaker, the second amendment included in the published Bill is to the offence of grooming in Gibraltar to bring this offence in line with the equivalent offence in the UK. The grooming offence as currently enacted applies to an adult who communicates on at least two occasions and who subsequently meets or arranges to meet a child to commit a sexual offence. The proposed amendment will reduce to one the number of occasions on which the defendant
915 must initially meet or communicate with a child with the intention of committing a sexual offence.

The reduction in the number of meetings or communications was legislated for in the UK in 2015. The amendment was made there as a result of a cross-party inquiry, undertaken together with Barnardo's, into child sexual exploitation. That inquiry recommended the change following
920 evidence sessions at which advocates and the Police reported that the existing legislation was too weak and that making the grooming offence easier to use would make it a more effective prevention tool. The support for this change was unanimous in the inquiry's oral evidence sessions.

Mr Speaker, it is arguable that our legislation's current requirement for prior communications
925 on two occasions is there to demonstrate without question the intent to commit the crime. From a police point of view, however, and especially that of the child, this is at best an unnecessary burden and at worst will lead to a child being abused before the Police can actually act. The UK recognised the concern but considered that it is the content and the context of communications that are key to proving the offence rather than the number of communications.
930 There is a clear possibility that a particularly skilled paedophile could in one communication arrange a meeting with a vulnerable child. We agree with this argument; this is why the amendment is included in the Bill.

Mr Speaker, as I stated earlier, I will be moving a number of amendments to the Bill at Committee Stage, following representation by the Gibraltar Women's Association. It is right to
935 say that the GWA welcomed the changes in the Bill and offered their support for it. However, they also suggested that this would be an excellent opportunity to go even further by including a new offence to target paedophiles who communicate sexually with a child. After consideration, we agreed. In England and Wales such an offence was introduced by the Serious Crime Act 2015 and it is an equivalent of that offence which will be proposed as an amendment to the Bill at
940 Committee Stage. The amendment will make it a criminal offence for a person aged 18 or over to communicate with a child under 16 years if the communication is sexual or if it is intended to elicit from the child a communication which is sexual. The offence applies only where the defendant can be shown to have acted for the purpose of obtaining sexual gratification. Ordinary social or educational interactions between children and adults, or communications
945 between young people themselves, will of course not be caught by the offence.

The offence is also subject to a two-year maximum prison sentence and will lead to notification requirements.

Mr Speaker, I would like to take the opportunity to once again thank the Gibraltar Women's Association for their support in this area, and indeed for actively coming forward with their proposals.

Mr Speaker, we are all agreed that sexual offences against children and the deliberate infliction of distress and humiliation on persons by means of publication of private sexual images are terrible crimes and that it is vital that we do everything that we can to prevent such abhorrent behaviour. It is important that we continue to adapt our laws, particularly to reflect changes in technology and communications which have given potential offenders new ways of offending.

Mr Speaker, I commend the Bill to the House. (*Banging on desks*)

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill? The Hon. Elliott Phillips.

Hon. E J Phillips: Mr Speaker, we on this side of the House will support the Bill. It is right that the law in this area should be strengthened, given the changing circumstances and the increasing use of technology and social media. These are, Mr Speaker, despicable crimes and we are pleased that the Government are legislating in this field.

I, in my other professional capacity, have had the opportunity of looking at some types of these cases in 2007, which horrified me to see cases like these in terms of images, whether they be photo, film, or in fact transfer of data, which was one of the cases that I had to deal with, and thereafter the Government of the day changed the law to incorporate electronic transmission of data where images were transferred through the wire.

This Bill will enjoy the full support of this side of the House.

Mr Speaker: Does any other hon. Member wish to contribute to the debate?

I call upon the mover to reply.

Hon. N F Costa: Mr Speaker, only to thank the Hon. Mr Phillips for his remarks and for the support that he brings with the Opposition.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Crimes Act 2011 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Crimes Amendment Act 2017.

**Crimes (Amendment) Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today if all hon. Members agree.

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

COMMITTEE STAGE AND THIRD READING

Mr Speaker: The Hon. the Chief Minister.

990 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause – that is to say the Private Foundations Bill 2017, the Crimes (Amendment) Bill 2017 and the Income Tax (Amendment) Bill 2017.

In Committee of the whole Parliament

995

**Private Foundations Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to permit the establishment of private foundations in Gibraltar, to determine the legal status of such foundations, to restrict the purposes for which such foundations may be used, to regulate the creation, operation and management thereof and to provide for the winding up of any foundation so created and for matters incidental thereto including but not limited to the establishment and conduct of a register of private foundations.
1000 Part 1, clauses 1 and 2.

Mr Chairman: Stand part of the Bill.

1005 **Clerk:** Part 2, clauses 3 to 10.

Mr Chairman: Stand part of the Bill.

Clerk: Part 3, clauses 11 to 22.

1010 **Mr Chairman:** Stand part of the Bill.

Clerk: Part 4, clauses 23 to 36.

1015 **Mr Chairman:** Stand part of the Bill.

Clerk: Part 5, clauses 37 to 42.

Mr Chairman: Stand part of the Bill.

1020 **Clerk:** Part 6, clauses 43 to 55.

Mr Chairman: Stand part of the Bill.

1025 **Clerk:** Part 7, clauses 56 to 59.

Mr Chairman: Stand part of the Bill.

Clerk: Part 8, clauses 60 to 79.

1030 **Mr Chairman:** Stand part of the Bill.

Clerk: Part 9, clauses 80 to 82.

Mr Chairman: Stand part of the Bill.

1035

Clerk: Part 10, clauses 83 to 87.

Mr Chairman: Stand part of the Bill.

1040

Clerk: Part 11, clauses 88 to 89.

Mr Chairman: Stand part of the Bill.

Clerk: Schedule 1.

1045

Mr Chairman: Stands part of the Bill.

Clerk: Schedule 2 as amended.

1050

Mr Chairman: Schedule 2: two amendments have been circulated to all hon. Members. Do all hon. Members agree that they be incorporated into the Schedule? Those in favour? (**Members:** Aye.) Those against? Carried. The amendments are therefore carried.

Clerk: The long title.

1055

Mr Chairman: Stands part of the Bill.

**Income Tax (Amendment) Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Income Tax Act 2010.
Clauses 1 and 2.

1060

Mr Chairman: Stand part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Crimes (Amendment) Bill 2017 –
Clauses considered and approved**

1065

Clerk: A Bill for an Act to amend the Crimes Act 2011.
Clause 1 as amended.

Mr Chairman: If all hon. Members are agreed – again, notice has been given of the amendments that are proposed to this Bill – clause 1 as amended stands part of the Bill.

1070

Clerk: Clause 2.

Mr Chairman: Stands part of the Bill.

1075 **Clerk:** Clause 3 as amended.

Mr Chairman: Again, there is an amendment to clause 3. If all Members are agreed stand part of the Bill ... Clause 3, as amended, stands part of the Bill.

1080 **Clerk:** The long title.

Mr Chairman: Stands part of the Bill.

1085 **Hon. T N Hammond:** Mr Speaker, if I may, on the last Bill we have looked at, I just want to assure myself – and not being a lawyer I cannot say with any certainty, so I am seeking advice on this really – whether the definitions ... Sorry, Mr Chairman, of course ... whether the definitions under the meaning of ‘private’ and ‘sexual’ are sufficiently robust to capture everything we might desire to be captured within a Bill such as this, or whether there are potentially any loopholes there. I am thinking really in terms of the references specifically to genitalia and pubic
1090 areas, whereas of course in the case of females there are other areas which may be pertinent and a woman would not wish to have shared in public without consent, even though the photos may have been taken in a public context.

I am, I appreciate, treading rather delicately on this subject, but I just want to assure myself that we are definitely passing a Bill here which does capture all of those potential areas where a
1095 situation may arise where there is a non-consensual publication or disclosure, and I just wonder whether we are doing that successfully here.

Minister for Health, Care and Justice (Hon. N F Costa): Yes, Mr Speaker, I am satisfied to the extent that 97D(1) says:

The following apply for the purposes of section 97B.

(2) A photograph or film is “private” if it shows something that is not of a kind ordinarily seen in public.

1100 – which would cover the top part.

Hon. T N Hammond: That is not covered.

1105 **Hon. N F Costa:** That is not ordinarily made public, or one would assume not.

Hon. T N Hammond: And hence my reason for raising that particular issue, because of course there are contexts in which such parts are exposed in public – beaches to name but one example, and one of the more common of the examples – so I just wonder whether we are definitely covering this area. An analogy, face to face, I would say I am choosing my words as
1110 carefully as possible, but I notice that we ... I just wish to ensure that this area is covered with respect to non-consensual release of material onto perhaps social media. (*Interjection by Hon. Chief Minister*) It is not my intention to do so, I assure you.

1115 **Hon. N F Costa:** Yes, Mr Chairman, I am persuaded that it is. I will revert back to the senior draftsman who drafted the Bill. He is a senior draftsman with the Government, he has been now for quite a long number of years and has a lot of experience in drafting Bills.

I am satisfied, given the wording of 97D(2), which specifically says ‘that is not of a kind ordinarily seen in public’.

1120 **Hon. T N Hammond:** I thank the Minister for that response and certainly for his consideration of the matter also.

Hon. R M Clinton: Mr Chairman, I just have one point.
I would be grateful if the Minister could clarify for me – clause 97E(2) says:

Section 97B applies to a Gibraltar service provider who-
(a) discloses a photograph or film in an EEA state outside Gibraltar, and
(b) does so in the course of providing information society services ...

1125 This is under the general heading ‘ ... extension of liability’. I am just wondering why is there a restriction just to an EEA state and not worldwide.

Hon. N F Costa: Mr Chairman, I do recall discussing this provision with Mr Warwick and asking him that question. Unfortunately, in the supplementary information that he has provided
1130 for me that particular answer is not provided, but I can give him a guarantee right now that after we resume I will call Mr Warwick and I will be able to provide him with the answer. There was, I remember, a good reason why it had to be drafted in those terms but I will give him the answer shortly.

**Income Tax (Amendment) Bill 2017 –
Crimes (Amendment) Bill 2017 –
Private Foundations Bill 2017 –
Third Readings approved: Bills passed**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Income
1135 Tax (Amendment) Bill 2017, the Crimes (Amendment) Bill 2017 and the Private Foundations Bill 2017 have been considered in Committee and agreed to with some amendments and I now move that they be read a third time and passed.

Mr Speaker: I now put the question, namely that the Private Foundations Bill 2017 be read a
1140 third time and carried. All in favour? (**Member:** Aye.) Those against? Carried.

I now put the question that the Bill for an Act to amend the Income Tax Act 2010 be read a third time and carried. Those in favour? (**Members:** Aye.) Those against? Carried.

I also put the question that a Bill to amend the Crimes Act 2011 be read a third time. Those in
1145 favour? (**Members:** Aye.) Those against? Carried.

Clerk: We now come back to answers to Oral Questions.

ADJOURNMENT

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House do now adjourn to
Wednesday, 21st June at 10.30 a.m.

1150 **Mr Speaker:** I now propose the question that the House do now adjourn to Wednesday, 21st June at 10.30 a.m.

I now put the question that the House do now adjourn to Wednesday, 21st June at 10.30 a.m. Those in favour? (**Members:** Aye.) Those against? Carried.

The House will now adjourn to Wednesday, 21st June at 10.30 in the morning.

1155

The House adjourned at 4.40 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.39 a.m. – 1.03 p.m.

Gibraltar, Wednesday, 21st June 2017

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The Gibraltar Parliament

The Parliament met at 10.09 a.m.

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

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

Tribute to Juan Carlos Perez

Clerk: Wednesday, 21st June, Meeting of Parliament.
The Hon. the Chief Minister.

5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, before the House continues its ordinary business, this is the first time that we meet after the passing of Juan Carlos Perez, who was a long-time Member of this House.

10 In fact, he was a Member of this House from 1984 until 2003. In that time, in those just shy of 20 years of membership of this House, Juan Carlos Perez became an essential part of the way that debates were carried out, of the rigor with which Opposition did its job at the time that he was a Member of the GSLP Opposition and of the way that Government did its work in the time that he was an essential part of the GSLP Government from 1988 to 1966, and no less rigor was applied by him as a Member of Opposition between 1996 and 2003.

15 A lot of things have been said about Juan Carlos since he passed away. The Hon. Joe Bossano and I have had opportunity to reflect publicly, as many of us on this side of the House have done publicly and privately, on the impact that Juan Carlos has had on our community, on his human qualities and on his political qualities. But today in this House I would just pause for a moment before I ask the House to observe a minute's silence for the passing of one of its longstanding Members to reflect on Juan Carlos the parliamentarian.

20 He was always robust in debate but always highly well prepared. Juan Carlos was not a man whose arguments would fail for lack of understanding or lack of preparation. If there was a person who has not been Leader of this House but who has had the political acumen, who has had the depth of understanding of the politics of this community, it is certainly Juan Carlos Perez.

25 Perhaps the biggest accolade I can pay him, Mr Speaker, is to reflect on the things that the Hon. the former Chief Minister and Leader of the House Sir Peter Caruana said of Juan Carlos during the course of a particularly prickly exchange with me after Juan Carlos had left, commending me to learn from Juan Carlos Perez and telling me that whilst I might be talking nonsense – which was the usual term of endearment that the former Chief Minister used to apply to me – he might say Juan Carlos Perez was, in parliamentary terms, much missed. When
30 your opponents recognise your contribution like that, I think you show what you have given your community.

So I would call on the House, Mr Speaker, before we hear other tributes from Members who might wish to speak, to observe a minute's silence in honour of Juan Carlos Perez.

Members observed a minute's silence.

35 **Mr Speaker:** The Hon. Mr Bossano.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):

Mr Speaker, of all of us here I shared more of my life with Juan Carlos than anybody else, both as a trade unionist and as a Member of Parliament and in everything to do with Gibraltar's political life.

40 He was not a politician, he was somebody who had politics flowing through his veins instead of blood, so there was no time in the day or the night or a day of the week when politics did not enter into his life and mine. Everything that I have been able to contribute, both in Government and in Opposition and in the trade union, would have been much less effective and much less likely to have been successful had it not been for the fact that I had him on my side, constantly
45 working with me, learning from me and teaching me. We made a team that was totally dedicated – as parliamentarians, as trade unionists, as political activists – to the welfare of Gibraltar as we saw it and in the best interest of all sectors of our community.

Juan Carlos, notwithstanding the fact that we had to argue a point, had no problem in being forceful, but had friends across this House ever since we first became involved. That is he had
50 close friends in the AACR when we were the Opposition, he had close friends in the GSD when that was the party opposite us, and of course in the GSLP family he was the life of the party. It is a life that is now gone and we are going to miss it. *(Banging on desks)*

Mr Speaker: The Hon. Edwin Reyes.

Hon. E J Reyes: Thank you, Mr Speaker.

I echo the words of the Father of the House: Juan Carlos certainly did have friends on both sides of this House – he even had friends from those who liked to hang around outside this House. He was one of those gentlemen who had that ability, like the members of his party are
60 saying, to be able to fight a point to the end but always be respectful, and that does not come easy.

I remember – I am sure Mr Speaker does as well – I first came across Juan Carlos in the late 1960s when we were mere young schoolchildren, when you were the deputy headteacher, Mr Speaker, and there was the tail-end of debating societies in school. Names were picked out
65 of a hat for which side you were on and I remember really rejoicing that I was on Juan Carlos's side because boy did you have a tough time if you were ever to speak against his arguments! He used to prepare himself well. How many hours he spent one can only guess, but he had that ability of having very well-argued points of view to put forward. Like I said before, with respect he could fight his point.

70 Having left school and having done the many things that he did, I also had some brief contacts with him in the trade union, although I was not in the T&G – being a civil servant I was with the GGCA. He was someone who actually inspired enthusiasm, and Joe Bossano is completely correct – he was very much always involved in that big battle for parity in the early 1970s and a certain percentage of that success must be attributed to Juan Carlos for either
75 whatever he did directly or his mere support for the main negotiators such as the Branch Officer Mr Bossano was at the time.

Mr Speaker, he then – I have fond memories – held the portfolio as Minister for Government Services. At one stage when Steven Linares and I were involved with the Teachers' Association we used to have meetings with him – I think it was somewhere in Europort he had his office, yes
80 – and if you went well prepared he did actually acknowledge when you were right. He was very honest and very frank and I think our best successes at the time, if Steven remembers correctly, were when we were fighting the points of excellence and so on and his trade union background I think made him manage to convince Joe Bossano that the teachers should be paid. So, Joe, Juan Carlos I know must have given you as well a bit of a tough time because he was always a true
85 representative of the workers. Even though he had the responsibility of looking after the Government's purse, he never betrayed what was, as the Chief Minister rightly said, running through his veins – that fight for the workers.

So, Mr Speaker, on behalf of this side of the House we offer our condolences to his mother Angeles, to his sister and to all those close relatives of his and the overall family of the GSLP.

90 May he rest in peace, Mr Speaker. (*Banging on desks*)

Mr Speaker: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, it is with great sadness that we once again find
95 ourselves paying tribute to a departed colleague from the world of Gibraltar politics.

To describe Juan Carlos Perez only as a founding member of the GSLP does a disservice to the countless hours that Mr Perez dedicated himself to his particular political cause, from almost his constant presence in the party's office to his long tenure as editor of the GSLP's newspaper.

100 There is, I am sure, no political development over the last 40 years in Gibraltar that has not warranted his astuteness nor his opinion, and I am sure that the Members opposite all feel greatly indebted to his advice and guidance.

Like Robert Mor, Joshua Gabay and Charles Bruzon, who all sadly left this world before him, Juan Carlos Perez was a committed socialist who always had Gibraltar's interests at heart and, like theirs, his loss will be keenly felt. It must be remembered, Mr Speaker, that in the late 1980s
105 and 1990s Mr Perez played a significant role in developing the necessary telecommunications infrastructure to support Gibraltar's burgeoning economy, and this important contribution for our community deserves all of our appreciation.

Of course Mr Perez was a political adversary of my father and his party, but he always treated him with the respect and admiration that was mutually reciprocated and which I can remember
110 since a very young age. I personally always found Mr Perez willing to give me much of his time and we both enjoyed many discussions in the Piazza, which was very much his political turf. I liked being in the company of this larger-than-life personality and I am very saddened by the loss of such a strong political presence.

115 I would like to convey my most heartfelt condolences to his family, his friends and all his political colleagues, while offering the consolation that Juan Carlos's legacy in this House will live on for many generations. (*Banging on desks*)

Mr Speaker: And one of the great joys of teaching –

120 **Hon. Chief Minister:** Mr Speaker, Mr Speaker... The Deputy Leader of the party.

Mr Speaker: Okay. The Hon. Dr Joseph Garcia.

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I first met Juan Carlos as a family friend, so he was somebody I would see on a regular basis in the days of the Spinning Wheel and the Old Rock, which probably most people here are too young to remember – and I think that says something!

125 In 1999 when I was first elected I had the pleasure of serving with him in the House for that short period of time. Indeed, my election was due to the tragic death of Robert Mor; it followed Mr Mor's death. I had the pleasure of serving with him in this House from then until 2003. He was an expert teacher, a political strategist who had a brilliant political mind. I think that has already been said and certainly his performances in this Chamber speak for themselves – the fact that he was admired and liked by friends and by political opponents alike.

130 So I would like to express my most sincere condolences to his mother Angeles and to his friends and family. (*Banging on desks*)

Mr Speaker: Let me not jump the gun: does anybody else wish to pay tribute? The Hon. Mr Albert Isola.

135

Minister for Commerce (Hon. A J Isola): Thank you, Mr Speaker.

Juan Carlos and the Father of the House were the two individuals who welcomed me into this GSLP family many, many years ago – and I enjoyed *many*, many a night at the Old Rock, which my colleague has just mentioned, sharing his company, his intelligence and his wit. I do not think I have ever met somebody who had the same level of political intelligence that he had, and to boot with a wit that was pretty much unbeatable, a speed of tongue which was really quite terrifying.

But I think for me the one thing I take from Juan Carlos is not that he did 20 years of politics, which of course we all know and that is well documented, but he spent a life of giving. That is what I think is really quite incredible: he has given his entire life to helping, giving and serving the people of this community in any walk of life. It was not just with the union; anybody who needed help had an open door and he was there to greet, to welcome and to help in whatever way he possibly could. For me the biggest thing about this huge political giant of a man was his ability and his sheer desire to help and give to others throughout the entirety of his life, and for that I think he should be well remembered.

I also join in offering my sincerest condolences to Angeles and of course his family and all of his friends.

Thank you, sir. (*Banging on desks*)

Mr Speaker: One of the great joys of teaching in a secondary school in Gibraltar is the fact that many of your former pupils become in later life your closest friends, and that was very much the case with Juan Carlos Perez, as far as I am concerned. Politically we were opponents but always friends. Politics never divided us.

I would like to recall the young man that Maurice Xiberras and I taught in the Grammar School. Juan Carlos was mischievous with a great sense of fun and he was never afraid to question and to stand up to the teachers if he felt that an injustice had been committed. But there is an incident that I always remember very, very fondly. The school was staging the play *A Man for All Seasons* by Robert Bolt, and Juan Carlos was cast as Everyman – Everyman is effectively the prologue of the play – and when the curtains parted, Juan Carlos walked on to the middle of the stage. He paused. He was dressed in a black leotard and, looking at himself, he uttered those immortal words of the opening of the play:

Is this a costume? Does this say anything? It barely covers one man's nakedness!

I will always remember him and I always used to chide him about it. I always remembered it in particular when I used to put on the mayoral robes, which was a different sort of costume if you like.

It is a very sad year, I think, for this Parliament; 2017 is proving to be a very, very sad year. We have lost more than one former parliamentarian and I am sorry to say that, being in contact with some of the other former Members, we should prepare ourselves for even further sad news before the year is out; that is the way of the world.

And so, back to business. (*Banging on desks*)

Hon. Chief Minister: Mr Speaker, can I, on behalf of this side of the House, thank Members opposite for their very kind words.

Without prejudice to the characterisation of *The New People*, can I just say that if Juan Carlos were here I think he would probably say, 'Look, this is too many eulogies – you go to Parliament to do politics, just get on with it!'

Thank you. (*Banging on desks*)

Questions for Oral Answer

DEPUTY CHIEF MINISTER

Q337-339/2017

Gibraltar Wine Vaults –

Tourism; beneficial owners; consideration and alternative use of site

Clerk: We now continue with answers to Oral Questions.

We commence with Question 337. The questioner is the Hon. L F Llamas.

185 **Hon. L F Llamas:** Mr Speaker, can the Government disclose what tourism expectations have been projected for the Gibraltar Wine Vaults?

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

190 **Deputy Chief Minister (Dr J J Garcia)** Mr Speaker, I will answer this question together with Questions 338 and 339.

Clerk: Question 338. The Hon. L F Llamas.

195 **Hon. L F Llamas:** Mr Speaker, who are the beneficial owners of Gibraltar Wine Vaults?

Clerk: Question 339. The Hon. L F Llamas.

200 **Hon. L F Llamas:** Mr Speaker, what consideration is being paid by Gibraltar Wine Vaults and did the Government consult or advertise the site for alternative usage?

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

205 **Hon. Deputy Chief Minister:** Mr Speaker, the operators of the Wine Vaults have told the Government that they expect to provide a tourism facility as part of the overall wine package experience, not only to see the wine storage facility but also to experience the World War II tunnels and chambers. This will not, however, be organised or controlled by the Government. It is an integral part of the wine storage operation. The operators expect that the combination of wine tasting and visit to the World War II experience could attract tours from cruise liners.

210 The beneficial owners are Gibraltar Wine Vaults Limited.

The consideration already paid by Gibraltar Wine Vaults for the ex-WT Station is £350,000. The Government did not consult or advertise the site for alternative usage. Gibraltar Wine Vaults approached the Government on this project. It was felt that this was a unique project perfectly suited for those chambers, which have little other use, and which will provide Gibraltar with economic activity and employment and could attract wealthy wine connoisseurs and tourism in general.

215 **Hon. L F Llamas:** Mr Speaker, could I ask the Government: is there a set lease or a control mechanism whereby the Government will be able to monitor the success of this project; and in any event, if it seems that the project is not returning the economic activity that is envisaged, it can call back the land and offer it for an alternative use?

Hon. Deputy Chief Minister: Mr Speaker, this is not land in the normal sense. These are tunnels inside the Rock itself. There is a lease which regulates the activity and which the operators have to abide by. I do not have the terms of the lease with me, but obviously there is a lease which they obtained in exchange for the premium.

Hon. L F Llamas: One final question, Mr Speaker: has the Government been consulted on what the entrance fee to the tunnels in this site will be?

Hon. Deputy Chief Minister: No, Mr Speaker, there has been no consultation certainly that I am aware of.

Hon. Chief Minister: There does not have to be.

Hon. Deputy Chief Minister: And obviously the option is open to them not to have a fee if they so wish it – they are the operators.

Hon. L F Llamas: Sorry, one final supplementary, Mr Speaker: does the Minister know for how long the lease will run, off the top of his head? I know it is a supplementary maybe not arising from these questions.

Hon. Deputy Chief Minister: Mr Speaker, I have that information but I do not have it with me. If the hon. Member cares to ask me the question then I will be happy to answer it at a future Parliament.

TOURISM, EMPLOYMENT, COMMERCIAL AVIATION AND THE PORT

Q340/2017

Gibraltar Talking Plaques – Government involvement

Clerk: Question 340. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government state what involvement it had with setting up and assisting Gibraltar Talking Plaques, together with details of any contract it may have entered into?

Clerk: Answer, the Hon. the Minister for Tourism, Employment, Commercial Aviation and the Port.

Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi): Mr Speaker, Talking Plaques is a fully private concern. They approached the Gibraltar Tourist Board for assistance in 2016. The GTB assisted in marketing the service on its social media platforms, proof reading and helping with the map produced by the operators, adding details on the product to the GTB website and displaying leaflets in the GTB information offices and at events. This, Mr Speaker, is similar to the assistance provided to most private concerns that take an initiative to produce a tourism-related product.

In addition, the GTB provided the sum of £4,689 to Talking Plaques Limited towards marketing material that the company produced, including leaflets and branded giveaways to include the Gibraltar branding. The sum also went towards braille signs on the posts and microchips contained therein.

There is no contract entered into with the GTB. The company sought its necessary permissions from the relevant authorities to roll out their business.

270 **Hon. L F Llamas:** Mr Speaker, is it then safe to say that the private entity can sell on the business or decide not to maintain the signs or anything, given that there is no contract; or does the Government have a way of controlling what happens with this business which is being run essentially on Gibraltar's key sites?

275 **Hon. G H Licudi:** Mr Speaker, as I mentioned, there is no contract and there is certainly no prohibition of the company behind this initiative having its shares sold to anyone. It is, of course, subject to permissions being given by the Government and that is how it was set up: it was set up by seeking permission from the Government and the Government giving permission to place these plaques in various sites, providing certain information. Therefore, if anything which was of concern to Government were to happen, that permission can simply be withdrawn and the
280 plaques would have to be taken down, by the Government if necessary, because they are on Government property and therefore subject to, at the moment, no contract, no lease, just a licence, and therefore that licence can be terminated by the Government at will.

Q341/2017
Visit Gibraltar website –
Relaunch

Clerk: Question 341. The Hon. L F Llamas.

285 **Hon. L F Llamas:** Mr Speaker, has the Government made any progress in relaunching a new visitgibraltar.gi website?

Clerk: Answer, the Hon. the Minister for Tourism, Employment, Commercial Aviation and the Port.

290 **Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi):** Mr Speaker, the Gibraltar Tourist Board is now working with the current provider of the website to launch a new version of the site and this is scheduled to happen late September/early October of this year.

Q342/2017
Pleasure craft –
Licensing criteria

295 **Clerk:** Question 342. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Can Government explain what is the licensing criteria on pleasure craft?

300 **Clerk:** Answer, the Hon. the Minister for Tourism, Employment, Commercial Aviation and the Port.

Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi):
Mr Speaker, the criteria for the licensing of small pleasure craft for use within designated areas
305 in British Gibraltar Territorial Waters is stipulated under Schedule 4 of the Small Vessels
(Mooring Controls) Rules 2016 and the Seaside Pleasure Boat Rules 1989.

Hon. Ms M D Hassan Nahon: Mr Speaker, I understand the criteria at the moment as per the
law, but my question leads to ask whether the Government would be looking at perhaps making
310 the criteria more stringent given the recent surge of pleasure craft with the new marina and also
the accident that we saw a couple of weeks ago that might be telling us that our youngsters may
find it very easy to get on a pleasure craft without having enough knowledge of sailing or of the
pleasure craft itself. Would the Government be willing to make these laws more stringent?

Hon. G H Licudi: Mr Speaker, the question asks about licensing criteria rather than the
315 enforcement of the laws and whether the laws should be changed. The licensing criteria, as I
have indicated, is already in the legislation.

In fact, what we did – although the hon. Member says the criteria may not be stringent
enough, it depends on how one looks at it – what we did was to actually set out, for the
320 purposes of the new marina, we set out the criteria in legislation. Under the Small Vessels
(Mooring Controls) Rules 2016 we actually set out what the criteria for licensing and for
permitting vessels in the small boats marina at the Mid Harbour Marina should be. That was
firstly for the sake of certainty and clarity so that nobody could say, ‘Well, I’ve been treated
unfairly because the criteria has been improperly applied or discretions have not been applied to
325 the required standard or properly in my case.’ Therefore there are steps that need to be taken,
documents which need to be produced and very clear certainty in the legislation as to what the
criteria should be.

The hon. Member mentions issues about who can use these craft. Clearly the legislation sets
out who can use the craft and it is a matter for enforcement. Do we need stricter controls? That
330 is perhaps something that can be looked at. When we made the changes that we did for the
purposes of the small boats marina, hon. Members will recall that I also announced changes to
the Seaside Pleasure Boat Rules to do with jet-skis, to require strict criteria in relation to jet-skis,
particularly in relation to age limits and proficiency certificates in relation to jet-skis. So that
criteria is already there in relation to jet-skis.

We also introduced a new category of vessels which we have called exempt vessels, which
335 were vessels which could be exempt from the fast launch control rules, subject to the vessels
not exceeding 40 knots and subject also to the user of that vessel, the person who was being
licensed, having the necessary competency certificate, which is generally an RYA motorboat
handling certificate, which is required by the Captain of the Port, and also insurance in relation
340 to that vessel.

I can also say that we have set up, under the legislation which we produced for the small
boats marina, the Small Vessels Advisory Board. That is a board that is tasked statutorily with
looking at all aspects of small vessels, including use, licensing criteria, insurance and proficiency.
I have met with the board and there has been advice given to me, particularly in relation to
345 insurance, which should cover all motorised vessels, and that is advice that I have accepted. It is
a recommendation that has been made by the board to me and we are in the process of looking
at the legislation that needs to be changed in order to introduce a mandatory provision, which
we already have for fast launches, we already have for exempt vessels, we already have for jet-
skis and we are about to introduce it for all vessels which are of a motorised nature. That
350 legislation I hope to either bring to Parliament if we need to change an Act, and I am seeking
advice at the moment on that, or introduce it by regulations and make an announcement on it;
but I hope to do that very quickly in deed.

Mr Speaker: Next question.

HEALTH, CARE AND JUSTICE

Q343/2017

Hillsides –

Permanent residents

355 **Clerk:** Question 343. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government state how many residents are now permanently living at Hillsides, together with a breakdown of their long-term previous accommodation broken down into: (a) private accommodation; (b) Government rental housing;
360 (c) GHA wards; and (d) other elderly residential centres?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, there are 42 residents
365 living permanently at Hillsides. All 42 residents were transferred from GHA wards. Before admission to hospital, 28 out of the 42 residents lived in Government rented accommodation and 14 resided in private accommodation. No residents from the elderly residential centres have been transferred to Hillsides.

Q344/2017

Hillsides residents –

Selection criteria

370 **Clerk:** Question 344. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government disclose the selection criteria in choosing the residents for Hillsides?

375 **Clerk:** Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the criteria selection was clinically led, considering each individual's diagnosis and condition. A panel including GHA and Care Agency professionals were commissioned to assess eligibility. The same criteria for admission of dementia patients to ERS were followed. All the residents admitted to Hillsides
380 have been diagnosed with different stages of dementia.

Hon. L F Llamas: Mr Speaker, can the Minister disclose whether residents of other elderly residential centres were considered as part of the changeover or the moving in into Hillsides?

385 **Hon. N F Costa:** Mr Speaker, the admission criteria for Hillsides is the same as would be for any admission to any other ERS site, like, for instance, Mount Alvernia. The additional difference is that there is also a mental capacity because, as the hon. Gentleman knows, Hillsides is designed primarily to care for persons who suffer from dementia and Alzheimer's. The applications are assessed by the Care Agency and they prioritise individuals based on need.

390 The hon. Gentleman may also know that before, under the previous administration, there was a list and it was on a first-come first-served basis. I think it was my hon. predecessor, either Dr John Cortes, and Samantha Sacramento who decided that it made more sense, given the

progressive nature of the disease – Alzheimer’s and dementia – that there should be admissions based on the person’s need rather than on whether you were first on the list

Q345/2017
Alzheimer’s and dementia patients –
Numbers resident in DHA facilities

395 **Clerk:** Question 345. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government state how many diagnosed Alzheimer’s and dementia sufferers currently reside at each of the following: John Cochrane Ward, Calpe Ward, Mount Alvernia and St. Bernard’s Hospital?

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Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the number of residents or patients diagnosed with Alzheimer’s and dementia in the named areas is as follows: John Cochrane Ward, 16; Calpe Ward, eight; Mount Alvernia, 72; and St Bernard’s Hospital, six.

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Q346-347/2017
Dementia Day Centre and Hillside –
Invitations to care providers

Clerk: Question 346. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government disclose the names of the care providers it invited to express interest in providing the necessary staff for the Dementia Day Centre, together with (a) the date on which the invitation was sent to each care provider and (b) the closing date or dates?

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Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I will answer this question together with Question 347.

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Clerk: Question 347. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government disclose the names of the care providers it invited to express interest in providing the necessary staff for the Dementia Residential Facility together with (a) the date on which the invitation was sent to each care provider and (b) the closing date or dates?

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Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

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Hon. N F Costa: Mr Speaker, as I have previously stated, it is not the policy of the Government to publicly name any company that is approached and invited to apply for a public contract. I can confirm, however, that as I have already noted in response to previous answers to Questions 727/2016 and 51 of this year, all six known local care providers were approached in

430

respect of the Dementia Day Centre. Invitations were sent on 7th September of last year and on the closing date of 15th September of last year three applications were received. In respect of Hillside's Dementia Residential Facility, five invitations were sent on 5th June 2015 and on the closing date of 22nd June 2015 five applications were received.

Q348-2017
Subcontracted nurses –
Payments to care providers

Clerk: Question 348. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide a monthly schedule since 1st April 2016 to date of how much has been paid to care providers in return for subcontracted nurses by (a) the GHA, b) the Care Agency and (c) Elderly Residential Services?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the estimated information, subject to audit, is in the schedule I now hand over to the hon. Gentleman.

Mr Speaker: I suggest we proceed with the next question and then the hon. questioner may come back once he has had an opportunity to study the schedule.

Answer to Question 348

During the Period 1st April 2016 to 31st March 2017 the following monthly payments were made to care providers in return for subcontracted nurses.

	GHA			CARE AGENCY			ERS		
		Period (Agency 1)	Period (Agency 2)		Period (Agency 1)	Period (Agency 2)		Period (Agency 1)	Period (Agency 2)
Apr-16	£4,877.87	28/03/16-03/04/16	n/a	£1,143.00	14/03/16-25/03/16	n/a	£39,162.00	14/03/16-24/03/16	n/a
May-16	£17,788.04	04/04/16-04/05/16	n/a	£8,077.26	25/03/16-24/04/16	01/04/16-30/04/16	£0.00	n/a	n/a
Jun-16	£13,651.57	10/05/16-29/05/16	n/a	£7,632.43	25/04/16-24/05/16	01/05/16-31/05/16	£237,451.00	25/03/16-24/05/16	n/a
Jul-16	£2,175.96	28/03/16-03/04/16	n/a	£7,536.00	25/05/16-24/06/16	01/06/16-30/06/16	£0.00	n/a	n/a
Aug-16	£0.00	n/a	n/a	£8,209.50	25/06/16-24/07/16	01/07/16-31/07/16	£160,918.00	25/05/16-24/07/16	n/a
Sep-16	£6,603.61	28/03/16-26/08/16	n/a	£11,205.00	25/05/16-24/08/16	01/08/16-31/08/16	£0.00	n/a	n/a
Oct-16	£0.00	n/a	n/a	£12,538.50	25/08/16-24/09/16	01/09/16-31/09/16	£83,478.00	25/07/16-24/08/16	n/a
Nov-16	£0.00	n/a	n/a	£6,471.00	25/09/16-24/10/16	01/10/16-31/10/16	£74,565.00	25/08/16-24/09/16	n/a
Dec-16	£0.00	n/a	n/a	£3,522.00	25/10/16-24/11/16	n/a	£79,612.50	25/09/16-24/10/16	n/a
Jan-17	£0.00	n/a	n/a	£8,763.00	25/11/16-24/12/16	01/11/16-31/12/16	£78,858.00	25/10/16-24/11/16	n/a
Feb-17	£0.00	n/a	n/a	£16,762.00	25/12/16-24/02/17	01/01/17-31/01/17	£89,551.50	25/11/16-24/12/16	n/a
Mar-17	£102,419.05	01/01/17-20/02/17	n/a	£10,512.75	25/02/17-13/03/17	01/02/17-31/03/17	£176,198.90	25/12/16-13/03/17	1/2/2017-18/3/2017

Mr Speaker: I suggest we proceed with the next question and then the hon. questioner may come back once he has had an opportunity to study the schedule.

Q349-350/2017

**Subcontracted care workers and nurses –
Payments to care providers**

Clerk: Question 349. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide a monthly schedule, since 1st April 2016 to date, of how much has been paid to each care provider in return for subcontracted care workers by (a) the GHA, (b) the Care Agency and (c) Elderly Residential Services?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I will answer this question together with Question 350.

Clerk: Question 350. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide a schedule per financial year since 1st April 2012 until 31st March 2016 of how much has been paid to care providers in return for subcontracted nurses by (a) the GHA, (b) the Care Agency and (c) Elderly Residential Services?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the estimated information, subject to audit, is in the schedule I now hand over to the hon. Gentleman.

Answer to Question 349

GHA

	Period	Grand Home Care	Period	Rainbow Services
Apr-16	n/a		n/a	
May-16	n/a		n/a	
Jun-16	n/a		n/a	
Jul-16	n/a		n/a	
Aug-16	n/a		01/05/16-12/08/16	£ 2,367.75
Sep-16	n/a		n/a	
Oct-16	n/a		n/a	
Nov-16	n/a		n/a	
Dec-16	25/08/16-24/11/16	£3,036.00	n/a	
Jan-17	22/03/16-31/12/16	£25,146.35	23/09/16-01/12/16	£ 2,984.80
Feb-17	n/a		n/a	
Mar-17	01/02/17-28/02/17	£924.00	n/a	

Care Agency

	Period	Grand Home Care	Period	Rainbow Services
Apr-16	14/03/16-25/03/16	£ 19,289.62	01/03/16-31/03/16	£ 53,137.03
May-16	25/03/16-24/04/16	£ 48,141.43	01/04/16-30/04/16	£ 68,894.16
Jun-16	25/04/16-24/06/16	£ 42,721.14	01/05/16-31/05/16	£ 54,573.66
Jul-16	25/05/16-24/06/16	£ 55,524.18	01/06/16-31/07/16	£ 179,810.18
Aug-16	25/06/16-24/07/16	£ 31,880.31	01/07/16-31/07/16	£ 28,690.20
Sep-16	25/07/16-24/08/16	£ 56,347.82	01/08/16-31/08/16	£ 136,013.39
Oct-16	25/09/16-24/09/16	£ 59,800.16	01/09/16-30/09/16	£ 290,069.75
Nov-16	25/10/16-24/10/16	£ 38,185.97	01/10/16-31/10/16	£ 121,928.60
Dec-16	25/10/16-24/11/16	£ 51,925.55	01/10/16-31/10/16	£ 84,148.13
Jan-17	25/11/16-24/12/16	£ 44,541.89	01/11/16-31/12/16	£ 71,090.10
Feb-17	25/12/16-24/02/17	£ 59,703.00	01/11/16-31/01/17	£ 184,111.40
Mar-17	25/02/17-13/03/17	£ 28,020.68	01/02/17-13/3/17	£ 223,345.99

ERS

	Period	Grand Home Care	Period	Rainbow Services	Period	Meddoc
Apr-16	01/03/17-31/03/17	£ 50,737.00	01/03/16-31/03/16	£ 11,226.60		
May-16	n/a		01/04/16-30/04/16	£ 5,492.03		
Jun-16	25/03/16-24/05/16	£ 128,548.81	01/05/16-31/05/16	£ 5,806.65		
Jul-16	25/03/16-24/05/16	£ 34,516.00	01/06/16-31/07/16	£ 4,989.60		
Aug-16	25/05/2016-24/07/16	£ 265,004.00	01/07/16-31/07/16	£ 4,992.00		
Sep-16	25/05/16-24/07/16	£ 6,751.75	01/08/16-31/08/16	£ 4,617.60		
Oct-16	25/07/16-24/08/16	£ 143,284.00	01/09/16-30/09/16	£ 5,865.60		
Nov-16	25/08/16-24/09/16	£ 157,637.78	01/10/16-31/10/16	£ 4,617.60		
Dec-16	n/a		n/a			
Jan-17	25/09/16-24/11/16	£ 277,787.91	01/11/16-31/12/16	£ 11,606.40		
Feb-17	25/11/16-24/12/16	£ 142,218.98	n/a	£		
Mar-17	25/12/16-13/03/17	£ 206,411.45	01/01/17-31/03/17	£ 22,713.60	01/01/17-31/03/17	£ 13,905.00

470 In respect to the answer to Question 350, the information requested is only available from 1st April 2015, as previously invoices submitted for the Care Agency and ERS were per service and not per grade.

The information for the period 1st April 2015 to 31st March 2016 is as follows. GHA, £0. Care Agency: Grand Home Care, £450,974; Rainbow, £1,188,061. ERS: Grand Home Care, £1,288,237; 475 Rainbow, £87,802.

Mr Speaker: The Hon. Roy Clinton.

480 **Hon. R M Clinton:** Sorry, Mr Speaker, I have just glanced at the schedule in answer to Question 348 and I was wondering if the Minister could explain the use of subcontracted nurses in the GHA, certainly in the month of March. It obviously seems to be out of scale compared to previous months. Is there something the GHA is doing differently to what it was doing before?

Hon. N F Costa: Sorry, Mr Speaker, could Mr Clinton repeat the question, please?

485 **Hon. R M Clinton:** Certainly, Mr Speaker. If the Minister could look at the schedule in answer
to Question 348/2017, for the GHA, for the period of March 2017, there is a number there of
£102,419.05 for that particular month, but if you look at the previous month, certainly from
October to February is zero and other months certainly a figure much lower than that. Could the
490 Minister explain to the House why it is that the number is so large in March? Is the Government
or the GHA doing something different in respect of subcontracted nurses?

Hon. N F Costa: Mr Speaker, there has been no change in policy in that respect and therefore
I do not have the answers to why there was, as he rightly points out, a sizeable jump in March. I
dare say, and I will confirm this for the hon. Gentleman but I daresay that the amount reflected
495 in March ... In fact, it is the answer. If the hon. Gentleman looks at the column just next to the
amount, it says that the period relating to the £102,000 is from 1st January to 20th March, so it
includes two months of 2017, which would explain two months only, so there are three other
months which appear to be unaccounted for. So I will go back to ... In fact, I will email my office
and hopefully during the course of this session I will have an answer for him.

500 **Hon. L F Llamas:** Mr Speaker, just a clarification, guidance from the Minister to be able to
interpret this schedule correctly, the schedule in answer to Questions 350/2017 and 349/2017.
Could the Minister clarify which table relates to Question 349 and which tables relate to
Question 350? One is for subcontracted care workers and the other one relates to
505 subcontracted nurses. If the Minister could clarify which table.

Hon. N F Costa: Mr Speaker, the answer in the tables relates to Question 349. The
information relating to Question 350 was the one that I read to him across the floor of the
House, so it should not have said 'Answer to Question 350'. Thank you for spotting that out.

510

Mr Speaker: Any other supplementary?

Q351/2017
Ocean Views –
Re-admission rate

Clerk: Question 351. The Hon. R M Clinton.

515 **Hon. R M Clinton:** Mr Speaker, can the Government advise the re-admission rate for Ocean
Views in the year ended 31st March 2017?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

520 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, the re-admission rate for
Ocean Views for the year ending 31st March of this year is 2.85%.

It is salient to highlight, Mr Speaker, that the NHS benchmarking report found a 9% re-
admission rate in the UK in 2015. Evidently, therefore, our excellent professionals at Ocean
Views should be congratulated for the outstanding work in ensuring such a low re-admission
rate. I will have more to say about this, Mr Speaker, in my Budget address.

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Q352/2017

**St Bernard's Hospital, Mount Alvernia and Ocean Views –
Average daily bed costs**

Clerk: Question 352. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the average cost per day per bed for each of St Bernard's Hospital, Mount Alvernia and Ocean Views in the financial year 2016-17?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the average cost per day per bed for St Bernard's Hospital depends on the level of dependency. Therefore, the cost of a bed can vary from £340 to £515.

The average cost per day per bed for Ocean Views is £338.

The average cost per day per bed for Mount Alvernia is £192.

Q353/2017

**Health centre cards –
Renewal by self-employed individuals**

Clerk: Question 353. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise what is the policy for renewal of health centre cards by self-employed individuals?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the renewal of health cards for self-employed individuals is only initiated when the Department is satisfied that individuals have settled their Social Insurance contributions by the 15th of every month, as stipulated by the Social Insurance Regulations 1955.

If a self-employed individual is up to date with Social Insurance payments, then proof of payment and a renewal form would suffice to renew their health card.

The GHA ensures that a settlement agreement has been reached if the individual is in arrears. Failure to conform to the agreement will result in the GHA suspending their rights to medical care. It is important to note that the individual will still be entitled to emergency medical treatment.

As with any process, there may be cases with specific issues which may require referral to the registration board for individual consideration. This is done via an appeal.

Hon. R M Clinton: Mr Speaker, I am grateful for the Minister's response.

I have come across a number of individuals who have approached me with varying advice that has been given to them, some of which is contradictory. I would be grateful if the Minister could clarify for the House: if a self-employed individual is entirely up to date, how long would his health centre card be valid for? Would he be issued with a five-year card?

Hon. N F Costa: Yes, Mr Speaker.

Hon. R M Clinton: I am grateful for that answer and I will go back to the constituents and advise them of such. If a self-employed individual is given contrary advice, who should they contact? Who is responsible for this? Would it be the tax department or the GHA?

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Hon. N F Costa: Mr Speaker, they can either contact me directly by email or they can contact Rose Suissa, who is the Primary Health Care Centre Manager, but either of us will attend to it straightaway.

575

Hon. R M Clinton: Mr Speaker, perhaps this is not a question but he should be aware that individuals have been asked to pay in advance, either monthly or for an entire year, to get health centre cards for renewal. I am happy to share this information with him behind the Speaker's Chair later on.

580

Hon. N F Costa: Mr Speaker, that may have been in cases where the individual would have been in significant arrears for a number of years and therefore we would ask for a reasonable amount of cash payment so that we do not find ourselves in a position where a settlement arrears agreement is reached and then in the very first month we are once again in the position of arrears; and therefore, to establish trust between that particular person who owes arrears and the GHA, a reasonable amount is asked for. But if any individual feels that the amount being asked for is unreasonable, they can feel free to write to me directly.

585

Hon. E J Reyes: Mr Speaker may I, because I can give the Minister first-hand experience, having had to assist my son, who happens to be a self-employed person. Shortly after Christmas he was refused an appointment at the Health Centre because he was now self-employed and had to produce all the necessary documents for Social Insurance contributions. He was told that the card would be renewed for a month until the end of March and was therefore advised that he pay until the end of the financial year in advance, which he did until the end of June. Coming now to that expiry date, again he has been advised, as recently as the last few days, to pay the whole of the 2017-18 year in advance of Social Insurance contributions. This is fresh as this week progresses.

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So there seems to be some contradictory information feeding through from the clerical side. I would be grateful if the Minister could look at it, because there are several cases that we know of and although it makes a certain sense that the Government has to protect that payments have been made, you cannot put a heavy burden on young self-employed people, that we all encourage, to start off having to pay a whole year of Social Insurance in advance.

600

Hon. N F Costa: Yes, Mr Speaker, I agree with the hon. Gentleman that such a request would be counterintuitive and unacceptable, so I will certainly, after this session of the House, perhaps after the Budget session, call in Rose, who I have to say is formidable and very well acquainted with the work that she does. These must be individual cases which, unforgivably and unacceptably, have fallen through the net, but certainly your son should not have been put in that position. I will see to it that it is immediately rectified and I thank him for bringing it to my attention.

605

Q354-355/2017

**Law Reform Commission –
Sentencing reforms; appointments to Commission**

610 **Clerk:** Question 354. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state what specific sentencing reforms it is looking to address in the context of the Law Reform Commission?

615 **Clerk:** Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the particular areas of sentencing reform to be looked at are yet to be finalised as it is my intention as Chairperson of the Commission to consult the Law Commissioners before a final decision is made.

620 I refer the hon. Gentleman to my –

Mr Speaker: He is answering the question together with Question 355.

Hon. N F Costa: Yes, sorry, Mr Speaker, in my eagerness I jumped the gun. I will answer this question together with Question 355.

Clerk: Question 355. The Hon. E J Phillips.

630 **Hon. E J Phillips:** Can the Government state the names of experts that will be appointed to the proposed Law Commission?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

635 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, I refer the hon. Gentleman to my previous statements on this matter, where I stated that I intend to review local sentencing laws to ensure that they cater for the needs of Gibraltar, rather than being tied to sentencing guidelines which have evolved for another jurisdiction with its own particular issues and that may not necessarily apply to us.

640 It should also be noted that I have in the past said that there appear to be a number of classes of offence where, due to local circumstances, following UK guidelines does not always produce appropriate sentences for Gibraltar. These include, for example, offences of violence and sexual offences. It is these types of offences that I think should be looked into by the Commission.

645 As the hon. Gentleman will himself know, the issue of sentencing guidelines is a matter for the Hon. the Chief Justice in consultation with me. Any recommendations in this area will be communicated to the Chief Justice under section 484 of the Criminal Procedure and Evidence Act 2011 for him to take into regard when deciding whether or not to make any changes.

650 Additionally, it may be that the Commission will look into offences which have been part of our statute book for a number of years and which were legislated with maximum fines which did not refer to the standard scale of fines but rather to a set amount which with the passage of time has made the amount irrelevant. In undertaking an exercise in examining such offences, the Commission is able to propose new fines referring to the standard scale, which are more in keeping with the seriousness of each of these offences.

655 Finally, I am keen that the Commission be tasked with an examination of the parole system and the amount of time that persons serving custodial sentences must serve before being eligible to be released on licence. This is of particular relevance given the differences between the UK and local systems, which are not reflected in local sentencing practice.

In accordance with clause 4 of the Bill, it is intended that there will be initially appointed at least four Commissioners in addition to Her Majesty's Attorney General, who will be an ex-officio member, and the Minister with responsibility for Justice, who will act as Chairman. At least two of the Commissioners so appointed will be lawyers.

Of course, given the fact that the Bill will be debated in a few weeks' time, the hon. Gentleman will forgive me if I do not give the names of the persons it is intended to appoint as Commissioners today and I hope he will allow me to keep something for my Budget speech at the Bill's Second Reading.

Hon. E J Phillips: Mr Speaker, I am grateful for that response. Would the Hon. Minister agree that this is a significant undertaking in terms of the Law Commission, its constitution and also its terms of reference? It is a significant undertaking.

Hon. N F Costa: Yes, Mr Speaker, I agree that it is. At the same time we are very excited about the project and the work that would be undertaken.

I will tell him that the persons that we have approached to be appointed as Law Commissioners have all accepted and, as I say, I will reveal those names during the course of my Budget address.

Hon. E J Phillips: Just one further supplementary question: how long does the Government envisage this process will take? The reason why I ask the question about a significant undertaking is when we are looking at the jurisprudence and the development of precedent in the area of sentencing and sentencing notes by the judiciary, obviously there will be some inconsistency with what has been drawn from the United Kingdom in terms of their sentencing practice. Therefore, does the Government have any idea how long this process will take to develop that sentencing practice?

Hon. N F Costa: Mr Speaker, the answer is no on the basis that, as I explained at the beginning of my answer, I intend to consult with the Law Commissioners on which tasks we should tackle first. It may be that we decide at the first meeting to deal with discreet matters that can be dealt with expeditiously and certainly during the rest of this mandate. But as I say, it will be decided by the Law Commission at the first meeting and at that point I think we will have a clear idea of what we are able to realistically achieve in whatever is left of this term of office.

Q356-358/2017

RGP investigations of fraud and dishonesty cases – Number; criminal proceedings; duration

Clerk: Question 356. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state the number of fraud or dishonesty cases which are currently being investigated by the Royal Gibraltar Police?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I will answer this question together with Questions 357 and 358.

Clerk: Question 357. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state from the number of fraud or dishonesty cases currently being investigated by the RGP how many have resulted in criminal proceedings being brought?

Clerk: Question 358. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state from the number of fraud or dishonesty cases currently being investigated by the RGP the duration of the investigations categorised into the following: (i) one month; (ii) three months; (iii) six months; (iv) nine months; (v) 12 months; or (vi) in excess of 12 months?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, the Royal Gibraltar Police can confirm that there are currently 12 major fraud investigations locally in Gibraltar. This, however, does not take into account the numerous investigations that the RGP assists other jurisdictions with.

There are currently four major fraud cases where persons have been charged and are before the courts.

Additionally, the schedules which I am passing to the hon. Member set out the number of minor fraud and dishonesty offences which have been reported to the RGP during the last financial policing year. The second column shows the number of unresolved crimes, which means the matter is still under some form of investigation or before the courts.

With regard to overall crime reported to the RGP in the 2016-17 policing year and related to minor fraud and dishonesty offences, the detection rates contained in the schedule have been recorded by the RGP. A detection is recorded only once the person has been judicially dealt with by the courts and has been found to have been responsible for the crime or a police caution has been accepted.

The duration of current investigations by the RGP for major fraud offences is as follows: one month, one case; three months, two cases; six months, two cases; nine months, two cases; 12 months, one case; in excess of 12 months, four cases.

Mr Speaker, it is impracticable, in the sense of time consuming, for the Royal Gibraltar Police to calculate the duration of investigation for each minor fraud or dishonesty offence reported to the police.

Answer to Question 356

Offence	Total	Live
Fraud by Abuse of Position	2	1
Fraud by False Representation	72	55
Fraud by False Representation (attempted)	2	1
Passing, etc. of Counterfeit Notes and Coins	11	11
Using a False Instrument	2	2

Offence	Total	Live
Acquisition / Possession / Use of Proceeds of Criminal Conduct	10	1
Assisting another to Retain the Benefit of Criminal Conduct	3	2
Concealing or Transferring Proceeds of Criminal Conduct	4	3
Failing to apply Customer Due Diligence Measures	2	2
Offence	Total	Live
Going Equipped for Stealing, etc.	9	4
Interfering with Vehicles	3	3
Making Off without Payment	42	31
Taking a Conveyance without Authority	29	17
Theft: Value under £500	286	209
Theft: Value under £500 (attempted)	21	6

Offence	Total	Live
Assault with Intent to Rob	2	2
Blackmail	2	2
Burglary	67	34
Burglary (attempted)	9	8
Handling Stolen Goods	21	7
Robbery	4	3
Robbery (attempted)	1	1
Theft: Value over £500	103	90
Theft: Value over £500 (attempted)	9	3

Answer to Question 357

Offence	Investigations	Detected
False Accounting	4	4
Fraud by Abuse of Position	2	1
Fraud by False Representation	72	13
Fraud by False Representation (attempted)	2	1
Holding Out to be a Commissioner for Oaths	1	1
Passing, etc. of Counterfeit Notes and Coins	11	0
Possession of a forged instrument	1	1
Using a False Instrument	2	0

Offence	Investigations	Detected
Acquisition / Possession / Use of Proceeds of Criminal Conduct	10	9
Assisting another to Retain the Benefit of Criminal Conduct	3	1
Concealing or Transferring Proceeds of Criminal Conduct	4	1
Failing to apply Customer Due Diligence Measures	2	0

Offence	Investigations	Detected
Going Equipped for Stealing, etc.	9	5
Interfering with Vehicles	3	0
Making Off without Payment	42	11
Taking a Conveyance without Authority	29	12
Theft: Value under £500	286	77
Theft: Value under £500 (attempted)	21	15

Offence	Investigations	Detected
Aggravated Burglary	1	1
Aggravated Vehicle Taking	1	1
Assault with Intent to Rob	2	0
Blackmail	2	0
Burglary	67	33
Burglary (attempted)	9	1
Handling Stolen Goods	21	14
Robbery	4	1
Robbery (attempted)	1	0
Theft: Value over £500	103	13
Theft: Value over £500 (attempted)	9	6

740 **Hon. E J Phillips:** Just one question arising from the answer that the Hon. Minister gave, without looking at this stage at the schedule – and I will deal with that later on, if I may, Mr Speaker: insofar as the characterisation of major and minor fraud cases, can the Minister confirm that those are categorised by reference either to value and/or complexity?

745 **Hon. N F Costa:** Mr Speaker, the RGP define a major fraud case as one assessed where the loss is in excess of £10,000. Anything under is categorised as a minor fraud or dishonesty offence. So it is a numerical value attached as to whether it is classified as one or the other.

The Speaker: Next question. We can come back to the schedules.

Q359/2017
Human Resources Manager –
Substitute post holder

750 **Clerk:** Question 359. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, who is performing the functions of Human Resources Manager at the GHA?

755 **Clerk:** Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, a senior official, substituting to the grade of Senior Executive Officer, presently covers this role.

760 **Hon. D A Feetham:** Mr Speaker, I understand that the former Human Resources Manager is now in the Licensing Office. Can the hon. Gentleman explain why there has been a change in personnel occupying this particular post?

765 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I am sorry to say to the hon. Gentleman that his information is once again incorrect: the former Head of Human Resources at the GHA is not at the Licensing Office.

There has never been any comment in this House as to the movement of civil servants from one Department to another. They are interchangeable. Those are the rules of the Civil Service

and that is neither subject to a referendum in the Civil Service as to whether people move or do not move, in particular at that grade, or indeed to a debate in this House.

Hon. D A Feetham: Mr Speaker, nobody is wanting to debate this particular issue; I just want an understanding of whether there are any particular policy reasons as to the transfer of this particular gentleman, who I know was occupying this particular post for some time, elsewhere. If I am mistaken that he has been transferred to the Licensing Department, in fact maybe it is the nomenclature that I have actually used, because I have dealt with this particular individual in relation to residency permits and indeed he has dealt with my queries in his new role very well indeed. It is the policy that I am interested in and whether there are any policy reasons for this particular change.

Hon. Chief Minister: Mr Speaker, the policy is that civil servants are freely transferable, and that has been not just the policy – it is the terms and conditions of engagement of civil servants. We have very effective civil servants at every grade who do a very good job where they were and where they are, and so there is no policy reason for anybody being moved, because moving people from one place to another is not a matter of policy, it is a matter of people playing to their strengths and doing the jobs that the Government needs done in order to provide the public with the service that we endeavour to provide.

The Department, Mr Speaker, which has not changed in nomenclature under my administration but is the same Department that would have been in place when he was in Government, is the CSRO, Civil Status and Registration Office. We do not license people in Gibraltar, Mr Speaker, we register them.

Q360/2017
ERS Facilities Manager –
Recruitment process

Clerk: Question 360. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: In connection with the appointment of the Facilities Manager or equivalent at the ERS, can the Minister for Health explain what the recruitment process has been for this post in the context of qualification and experience?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, to date there has been no appointment to this post.

Hon. Ms M D Hassan Nahon: Mr Speaker, can the Health Minister kindly confirm whether this post is open and will be filled, or are they looking to fill it?

Hon. N F Costa: Mr Speaker, all I can say really at this stage is that from my understanding there has been no movement in respect of this particular post since I became Minister for Health. The hon. Lady knows, because we have discussed it in the past, that we are in the process of integrating Elderly Residential Services into the GHA so are currently evaluating all posts relating to their effectiveness. But, as I say, since I was appointed Health Minister there has been no movement in relation to this post.

Q361/2017
Primary Care Clinic Health Visitor –
Recruitment process

Clerk: Question 361. The Hon. Ms M D Hassan Nahon.

815 **Hon. Ms M D Hassan Nahon:** In connection with the new appointment at the Primary Care Clinic for the post of Health Visitor, can the Minister for Health explain what the recruitment process has been for this position in the context of qualification and experience?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

820 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, there has been no recruitment process for the post of Health Visitor as the post is currently filled with a contract nurse.

825 **Hon. Ms M D Hassan Nahon:** Mr Speaker, does the Health Minister consider it fair that there is another health visitor, because I understand there are two health visitors, or there should be two health visitors, at any time and that the other health visitor only got the job by an interview process presentation to panel, and is it fair that the latest recruit for this position has not had to go through the same channels?

830 **Hon. N. F Costa:** Mr Speaker, as I have told the hon. Lady, there has been no recruitment to the post. Therefore, at the point that there is recruitment the usual recruitment procedures will apply, and if that is what ordinarily happens, that the health visitor is requested to prepare a presentation and, I imagine, subject herself or himself to an interview, then that will be the process that will be followed at that time. But currently there is already a contract nurse
835 occupying the post.

Hon. Ms M D Hassan Nahon: Mr Speaker, can the Health Minister, or perhaps the Education Minister, give us some clarification that there is currently a junior staff nurse who was sent to the UK through the Education back door, a candidate well known to the GSLP family, and will be
840 placed in this position in a very short time frame?

Hon. N F Costa: Mr Speaker, the hon. Lady and I have discussed this in the bunk of No. 6, at the Piazza Grill downstairs, which we affectionately call the Lower House, and I have told her that her information is incorrect. She has written to me on the subject. I have had my principal
845 secretary Mrs Cervan write to her. Clearly, unfortunately, on this occasion she seems not to trust what I have told her by email, but I can assure her that what I tell her in the Piazza Grill I do as if I were answering her in this House and I always live on the basis that all the decisions that I take will be subject to her scrutiny and to the scrutiny of hon. Members opposite.

Let me just tell her that her information is so incorrect that this lady to whom she alludes is
850 not a junior nurse; she is a registered general nurse, which, as she will know, is higher than a nursing assistant, higher than an enrolled nurse. She is a tier-one nurse. So, please, let her leave this House in the knowledge that her information is skewed and it is incorrect. I have told her orally, I have told her by email, I have now said so under the Speaker's Chair and I can assure her that there is no explanation other than what I have already iterated to her orally and in writing
855 and now under my responsibility in this House to give to her full and frank disclosure.

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Minister for Health for his explanation and it is indeed true that I have been chasing this matter for many months because I and many workers within the GHA consider this situation very disconcerting. And it is true that the Minister

860 often and any time that I ask for any information can see that I have come in good faith. This is why I have been waiting for this question. But I have to say that it is precisely because I have not been satisfied with the answers given by his officials that I have felt a need to raise it. So perhaps if I can ask the question: once this candidate completes her studies and comes back, should she be given the position, perhaps the Minister for Health will indulge in answering whether all this coincidence, shall we say, in placing her was in fact a fait accompli or not.

Hon. N F Costa: Mr Speaker, I have already told the hon. Lady that her information is incorrect: she is already a registered general nurse. The RGN is a tier-one nurse. They undergo what I understand to be an excruciating three-year degree and she completed her BSc (Hons) via the School of Health Studies. So I can assure her that this is not a junior grade, this is a fully qualified tier-one professional, and at the point that the contract nurse's term of engagement expires, then, as I understand it from the supplementary information given to me, the position will be, in the usual manner, advertised internally for people to apply.

875 But let me also tell her, Mr Speaker, that since I have been Health Minister, I have on many different occasions seen a need for our GNs or ENs in one part of the GHA and without any internal vacancy or without any other process I have asked the Director of Nursing whether we could reorganise and restructure the nursing cohorts so that one ward could do with perhaps having less particular tier nurse and move to another. In other words, what I am trying to tell her is that it would not be at all unusual if this lady who is currently undertaking the work ... because she is a fully qualified nurse, at the point that the contract nurse's contract expires I am advised clinically by the Director of Nursing that she is suitable to carry out the post. But let me assure her that if she were not, she would not be placed in that position, because she knows me well enough to know that my first concern, as is the concern of every single person on this bench, is patients' safety, dignity and compassionate care by highly qualified and skilled people.

885 Thank you.

Tribute to victims of attacks in London, Manchester and Brussels and Grenfell Tower fire

Chief Minister (Hon. F R Picardo): Mr Speaker, I do not mean to interfere in the debate of supplementaries, but I am afraid ... If the hon. Lady will allow me just to recess the House quickly, because we are going to pay a tribute in a moment.

890 If I can just ask the House to reflect as we go downstairs that this is the first meeting of the House since the attack at the Manchester Arena, which incredibly is just over a month ago, the Borough Market attack, the Finsbury Mosque attack and the tragedy at Grenfell Tower.

In relation to the Manchester Arena, I think many of us could not believe that we were witnessing such a vicious terrorist attack at an event that was, in effect, attended by young people and children, some of whom were just having a great night out.

895 At Borough Market, Mr Speaker, a place where people were enjoying an evening out in that fantastic city that is London, again terrorists trying to change people's ability to enjoy freedom and liberty, especially in a city as cosmopolitan as London.

900 And then only two days ago, at Finsbury Mosque, a cowardly attempt to create a conflict of religions and civilisations where a man died because he was in the region of his place of worship and his place of worship was attacked. Terrorists are terrorists, Mr Speaker, whatever religion they may be, whatever religion, or no religion, of the persons that they kill.

And yesterday in Brussels another attempted attack, where I am sorry to say some Gibraltarians were in the region of the attempted attack but were very lucky to be able to see that attack thwarted.

905 It is also, Mr Speaker, exactly a week since the horrific event of the Grenfell Tower, which has led us, of course, in Gibraltar to have to check quickly – as the Minister for Housing and the City Fire Brigade and all the other relevant parts of Government have done – the work that has been done on our own high-rise buildings, on which no doubt we will be saying more. We have seen such horrific scenes. Everyone watching the news I think will have been horrified and will likely
910 have turned away to see what was happening in London.

I ask the House, Mr Speaker, to show its grief, in respect and its condolences by recessing so that we may assemble downstairs for a minute's silence at 12 o'clock, where we will be joined by His Excellency the Governor and by the religious leaders of our community. So I therefore invite the House to now recess.

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

The House recessed at 11.55 a.m. and resumed its sitting at 12.06 p.m.

Q361/2017 continued

Mr Speaker: We were dealing with supplementaries arising from Question 361. Any other supplementary?

920 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I am sorry, I got cut off my line of thought a little bit. If I can just pick myself up again ... I and the Minister for Health share a very good relationship in the interests of this community and he knows very well that where I can get answers privately in order to help people I try not to go public if it is not needed.

I repeat: precisely because I was not satisfied by the answers I was being given in the GHA I have continued to prod on this issue. I accept that the Minister for Health is trying to be forthcoming and from where he is standing there is nothing untoward about this appointment. But let me just put it this way: if this candidate who has been given – by the Department of Education, it seems – a scholarship to go and train for this post which has not been filled and then this candidate comes back and then this candidate gets this post, can the Minister for
925 Health not understand why the public or even the staff at the GHA might find it disconcerting that all the factors have lined up in order for this candidate to get the job?

Hon. N F Costa: Mr Speaker, I think that the hon. Lady needs to be reminded of the facts. The first fact is that there has been no appointment. She needs to understand that. In the course of her supplementary question she once again said that there had been an appointment as a fact. There has been no appointment. There is currently a contract nurse that is filling that position.

I think it is unfair to this particular person to have suggested in her first supplementary to me that she has somehow got in through the back door. This is a registered general nurse and I can assure the hon. Lady that they do not gift those degrees as though they were either confetti or
940 sweets. They are hard degrees, and due to dint of her diligence and her perseverance she qualified as a registered general nurse, which is tier one of nursing. We should congratulate our local brothers and sisters who go to the UK to be able to qualify in professions that we can actually give them a job in to serve our community with compassion and with skill. (*Banging on desks*) She then, after, was successful in an application to do a further course of study for a Specialist Community Public Health scholarship. She was not gifted it by the Department of Education. She had to apply as everyone else applies and after the application, and after due consideration by what I know are excellent professionals at the Department of Education, she was granted the right to attend John Moores University in September of last year, to be
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completed in summer of this year, to do the course of Specialist Community Public Health Nursing.

Mr Speaker, further, it is important to note that in the GHA – and my hon. and illustrious predecessor will correct me if I am wrong – there is only one other Gibraltar health visitor. In fact, I think there are only two health visitors in the entire GHA. So we have a Gibraltar who successfully completes a Bachelor of Science and becomes a top tier-one registered general nurse. She then applies again to continue and further her education and she is successful, she is given a scholarship, and all that we are saying to the hon. Lady opposite – and I have said this to her in this House and previously by email and when we meet socially – is that she has not been appointed to this. Whether or not this lady will become the health visitor in this particular post will not be determined by me, I can assure her. It will be determined on the basis of clinical advice and nothing else.

So, no, Mr Speaker, there is no back door. No, Mr Speaker, there is no hanky-panky. No, Mr Speaker, this is being done entirely properly and everyone on this side of the House will applaud the fact that a Gibraltar has been successful as an RGN, has been successful to get a scholarship and we have now a second Gibraltar health visitor. And the fact that there are only two health visitors out of a complement of 500 nurses has to mean, by necessity, that not many Gibaltarians want to be health visitors, so good for her! *(Banging on desks)*

Hon. Ms M D Hassan Nahon: Mr Speaker, will the post of health visitor, given that there is a contract nurse at the moment whose contract will be finishing in September, be opening up in September?

Hon. N F Costa: Mr Speaker, as I have told her during the course of one of my answers to her supplementary, whether or not this person is appointed to the position which is currently being filled in by the contract nurse will be determined by the Clinical Manager in consultation with the Nursing Director once the position becomes available, and whether or not she is successful will solely depend on the advice that I receive from the Clinical Nurse Manager.

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): If I may assist – because this is nothing new, Mr Speaker – there have been similar cases going back years, and I believe beyond when we came into office, in other disciplines. The only thing is that there are so few health visitors that this may attract people's attention.

Midwives have regularly gone to study midwifery. Qualified nurses have got scholarships through the Education Department to study midwifery and have come back and have been slotted in to replace contract workers. This has been happening for years, there is nothing new, so I do not understand why this particular young lady, who has gone out of her way, who wants to specialist and train and take her place rightfully within the Gibraltar Health Authority, is being singled out by the Member opposite. *(Banging on desks)*

Hon. Ms M D Hassan Nahon: Mr Speaker, can I just say that I am by no means singling out anybody. I am trying to bring to light an issue that is of concern to many GHA workers and I think that they deserve an explanation. This is not about the individual; this is about procedure and process.

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

Mr Speaker: Yes.

Hon. D A Feetham: Mr Speaker, just one question. In listening to these exchanges across the floor of the House, there appears to be an assumption on the part of the Minister in his answers that this lady, who is now qualified, or has recently qualified in the United Kingdom, is actually

going to be applying for this particular post. Has the Minister received an indication that that is so, and that is why in his answers he is basically taking it as a given that this lady is going to be applying for this particular post?

1005 **Hon. N F Costa:** Mr Speaker, the question as phrased by the hon. Lady was suggesting a back door and that is why I have answered in the way that I have. But the facts as presented to me by Mrs Cervan in the supplementary information are that this particular lady approached the Acting Director of Nursing in September 2016, that she was interested in pursuing this training, that she had been successful in obtaining the scholarship and they discussed the career opportunities and possibilities. But as I have told the hon. Lady and I will repeat to the hon. Gentleman, there has not been a determination. I promise him there has not been a determination –

Hon. D A Feetham: There is no vacancy.

1015 **Hon. N F Costa:** Absolutely. That is right. As I have also said, there is currently a contract nurse, but once the contract expires the vacancy will then be available, and then from within the GHA they will make a determination of who is suitable. But the point that I also made to the hon. Lady is that there are only two, so she will not be the only person who can apply: the other health visitor lady could also apply once the position becomes available.

1020 **Mr Speaker:** Next question.

Q362/2017
St Bernard's Hospital –
Press officer

Clerk: Question 362. The Hon. Ms M D Hassan Nahon.

1025 **Hon. Ms M D Hassan Nahon:** Is there a press officer stationed at the seventh floor of St Bernard's Hospital; and if so, what does his or her work entail?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

1030 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, there is no press officer stationed at the seventh floor of St Bernard's Hospital.

Q363/2017
GHA Heads of Department –
Meeting with Minister to discuss concerns

Clerk: Question 363. The Hon. Ms M D Hassan Nahon.

1035 **Hon. Ms M D Hassan Nahon:** Has the Health Minister met with all Heads of Department at the GHA in order to listen to their concerns?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, yes.

1040 **Hon. Ms M D Hassan Nahon:** Mr Speaker, what would I tell a few of the Heads of Department who claim that they still have not met with the Health Minister and are dying for the opportunity to voice their concerns?

Hon. N F Costa: That they are not the Head of the Department.

1045 **Hon. Ms M D Hassan Nahon:** I believe there is some sort of discrepancy here because there are a few who claim that they have not met and are Heads of Department, so perhaps ...

1050 **Hon. N F Costa:** Mr Speaker, perhaps to clear up any ambiguity: I have met with the Medical Director approximately 172 times, for his sins; the Public Health Director 43 times – obviously he was good in a former life and has not been subjected to me for as much as the Medical Director; Clinical Nurse Managers, around once a month; the Acting Human Resources Manager – it says here 68, but I doubt that the poor fellow had so much luck and it is probably a lot more than that; the Director of Nursing – I just met with her this morning, I see her very regularly, I would say perhaps three or four times a week; the Director of Finance, around 16 times; Ocean Views Manager, around 43; the St Bernard's Hospital Operations Manager, around 11; the PCC Manager, truly for her sins around 172 or 173 times; and the I&T Director, around 12 or 13 times.

Mr Speaker: Next question.

Q364/2017

Patients requiring mental health assistance – Out-of-hours arrangements

1060 **Clerk:** Question 364. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What 24-hour arrangements are there in place for patients who require mental assistance, especially on weekends?

1065 **Clerk:** Answer, the Hon. the Minister for Health, Care and Justice.

1070 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, at present, there is assistance from the Community Mental Health Team during working hours and an on-call crisis team – composed of a consultant psychiatrist, a mental welfare officer, and a registered mental health charge nurse – who deal with emergencies, assessments and admissions out of normal working hours.

1075 Mr Speaker, I am delighted to report today in this House for the first time that as from yesterday the Community Mental Health Team services will be further enhanced by the introduction of an outreach support component for community patients. The service will be provided by experienced qualified nurses who will be on call after normal working hours, including on weekends. The main aim is to offer an extra tier of support for our community patients outside normal working hours. Although still at embryonic stages, the new extension to the service will see the phased introduction of a number of new initiatives aimed exclusively at improving the quality of life for patients and carers in the community and will continue to develop as the services grow.

1080 It is important, Mr Speaker, I think, at this point to highlight the answer that I gave to the Hon. Mr Clinton that the re-admission rate is at 2.8%, and we hope that with this new community outreach service support we will be able to do even better on that figure.

1085 It is important to note that, although a high standard of care is presently on offer, the new
component will ensure that a more robust support network is available to patients after hours
and will be a welcome addition to the existing on-call team. Some of the services that will be
available will include: a nursing after-hours on-call service from five o'clock in the afternoon until
1090 eight in the morning, seven days a week, including Bank Holidays; improved discharge packages
incorporating more supportive structures for people moving back into the community from
Ocean Views; improved supervision and management of patient caseloads that require more
input or monitoring; increase in frequency of home visits and checking compliance with
medication.

Following the necessary training, a mental health support line will be available to our known
patients/carers incorporating a combination of phone and physical presence and, where
1095 necessary, linking with the excellent team at Club House to offer advice and support.

It is anticipated that this improved approach will have a positive impact in reducing the need
for admissions or length of stay in hospital.

Mr Speaker, by way of additional information I think it is also important to say that the Hon.
the Deputy Chief Minister, the Hon. the Chief Minister and I are very much in close discussions
1100 with Sams Gibraltar and we are looking to work closely with them to reinforce and add resilience
to the additional community outreach programme that I have just announced today in the
House.

Hon. Ms M D Hassan Nahon: Mr Speaker, I congratulate the Minister and the Government
1105 for such a well thought-out package and I thank him as a citizen. I think it will benefit many,
many people.

Can I ask when can we expect this service to be advertised and the number known to the
public. I personally receive many desperate pleas from people, and obviously I am not equipped
to deal with mental health issues so I am looking forward to the day when this will actually be up
1110 and running. Can we have some type of timeframe, please?

Hon. N F Costa: Yes, Mr Speaker. The process that we followed was that we opened internal
vacancies for three enrolled nurses who have got specialised training in mental health, and
those three enrolled nurses are now currently undergoing extra training to make sure that when
1115 they receive calls, and indeed when they make house visits, which for me was one of the most
important parts and components of the new strategy, that nurses are able to visit persons who
are in the community who have been discharged from Ocean Views and they are able to check
on medication and of course provide any other medical assistance that an enrolled nurse can
provide ... We should be in a position to, the training having been completed in time, to fully roll
1120 out this programme by before the Parliament recesses for summer. So hopefully at some point
in July.

Mr Speaker: The Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, may I add my congratulations to the Minister, along with
1125 those of the hon. Lady. As this House will recall, we both debated or brought separate motions
to this House in relation to the continuity of care for mental health patients in the community
and that more should be done to help the most vulnerable in the community.

May I ask the Minister whether this initiative, which is obviously much welcomed on this side
1130 of the House, was as a result of any review that was undertaken; and if so, would the Minister
be willing to publish details of that review?

Hon. N F Costa: Mr Speaker, if the hon. Gentleman is asking me whether it was part of a
formal review, no it was not. When I became Minister for Health, one of the things that struck
1135 me was that there should be a more robust and resilient community process where we ensured

that persons who have been discharged from Ocean Views do not return to Ocean Views. And although there has already been, as I said before, a psychiatrist, a community mental welfare officer and a nurse that deal with after-hours support, in our estimation it was sound but not enough. Therefore, that is why we rolled it out, and I have and congratulate Kay and Chris

1140 Chipolina who have provided us with the clinical advice on that after having also received advice from Mr Manolo Peralta and from other members of the Community Mental Health team that this additional level of support will be sufficient. But of course, like with any new pilot programme that the Government deploys, we will have to wait and see whether three enrolled nurses are enough or whether that needs to be considered at an additional time.

1145 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Minister for the additional information. Just one final question: will an element of this service be available to the families of service users who may have concerns?

1150 **Hon. N F Costa:** Absolutely, Mr Speaker, yes.

HOUSING AND EQUALITY

Q365/2017

Government dwellings – Number vacant and/or derelict

Clerk: Question 365. The Hon. E J Reyes.

Hon. E J Reyes: Mr Speaker, following on from the answer provided to Question 288/2017, is the Minister for Housing now in a position to say how many Government dwellings are currently

1155 vacant and/or derelict in Gibraltar?

Clerk: Answer, the Hon. the Minister for Housing and Equality.

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, as previously

1160 advised, we are undertaking an in-depth study of all properties and this is ongoing.

Hon. E J Reyes: Mr Speaker, does the Minister have an indication by when this study will be completed – to avoid me having to make the question unnecessarily if I have a rough estimate?

1165 **Hon. Miss S J Sacramento:** Mr Speaker, I envisage that it will be ready now after the summer. However, the hon. Gentleman may recall that he has asked me a separate question about vacant flats and there are figures, in that it is a written question so he will get it in a written answer. But the exercise that we are undertaking is in respect of flats that are derelict and may no longer be, or we may decide are beyond economical repair.

Q366-367/2017

**Laguna, Glacis and Moorish Castle Estates –
Completed and pending refurbishment works**

1170 **Clerk:** Question 366. The Hon. E J Reyes.

Hon. E J Reyes. Can the Minister for Housing provide an updated list of all refurbishment works already fully completed, with details of commencement and completion dates and naming the individual blocks of flats where concerned, within the following rental housing estates: (a) Laguna Estate; (b) Glacis Estate; and (c) Moorish Castle Estate?
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Clerk: Answer, the Hon. the Minister for Housing and Equality.

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, I will answer this question together with Question 367.
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Clerk: Question 367. The Hon. E J Reyes.

Hon. E J Reyes: Can the Minister for Housing provide revised and updated estimated completion dates of pending refurbishment works, naming the individual blocks of flats where concerned, still being undertaken at the following rental housing estates: (a) Laguna Estate; (b) Glacis Estate; and (c) Moorish Castle Estate?
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Clerk: Answer, the Hon. the Minister for Housing and Equality.
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Hon. Miss S J Sacramento: Mr Speaker, in answer to Question 366/2017, the following refurbishment works have been completed.

For part (a): Rodney House, September 2013 to November 2016.

For part (b): George Jeger House, commencement September 2013, completion December 2016; Referendum House, September 2013 to December 2016; Constitution House, February 2014 to December 2016; Brother O'Brien, June 2014 to December 2016; Portmore House, June 2014 to December 2016; Gustavo Bacarisa House, August 2014 to November 2016; Ironside House, November 2014 to November 2016.
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For part (c): Calpe House, September 2014 to November 2016; Castle House, September 2013 to April 2017; Ince House, November 2013 to April 2017; Wall House, February 2014 to April 2017; and Key House, September 2014 to May 2017.
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In answer to Question 367, the following are the target dates for completion of the refurbishment of these estates. Estate (a) Laguna, December 2018; Estate (b) Glacis, December 2017; Estate (c) Moorish Castle, December 2017.
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Hon. E J Reyes: Mr Speaker, the Minister has given me comprehensive information. However, in respect of Question 367 I did ask for the naming of the individual blocks of flats, where concerned. It is so that when I do meet with tenants from those estates I can then home in and at least we know for certain that a block that is still on the list of pending refurbishment works to be completed is not one that has been completed and it allows the tenants to be in a better position to know if works are still to be carried out.
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Hon. Miss S J Sacramento: Mr Speaker, the answer is phrased in the way that it is because we have moved on from the initial way in which we were phasing the works at the estates. As you can see from the list of blocks that I have highlighted in Question 366, a lot of these blocks have been completed, so we are no longer working within the estates in phases as we were. The way we are working towards completion is works across the board in terms of all the blocks, so
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essentially we have the same completion date for everything that remains in the refurbishment process.

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Hon. E J Reyes: Yes, Mr Speaker, I think I understand what the Minister is saying, but if I give you one quick example. In Question 366 for Glacis Estate the Minister referred to Brother O'Brien House. In Question 367, by not homing in or not being able to provide details of the block, the residents of Brother O'Brien are still uncertain if any internal refurbishments have to be carried out – or is everything now ticked off and therefore no further works are to happen? Were that to be the case, the tenants may wish to get together and plead with Government that the works have not quite gone as far as they were led to believe. This is why I thought this information could help to perhaps calm their fears.

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Hon. Miss S J Sacramento: Yes, Mr Speaker, insofar as Brother O'Brien, and indeed all the other blocks that are listed in part (b) of my answer to Question 366, all of these are now completed. We are at a stage where we have completion but we are finalising on the snagging of the completion works, The answer to that is that we have completion subject to snagging.

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Hon. E J Reyes: I will leave it at that, Mr Speaker, and if need be after the summer recess I can then clarify any further points with the Minister.

Q368/2017

Government rental housing estates – Intended new refurbishment works

Clerk: Question 368. The Hon. E J Reyes.

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Hon. E J Reyes: Can the Minister for Housing provide details of what new refurbishment works it intends to carry out at any Government rental housing estates in the immediate future?

Clerk: Answer, the Hon. the Minister for Housing and Equality.

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Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, we will continue to invest in the refurbishment of all Government housing estates and there is a programme of works to ensure that estates continue to be refurbished as well as maintained. More details will be announced in respect of the estates to be tackled and dates when the works will be undertaken.

Q369/2017

Alameda House – Works re fresh water system

Clerk: Question 369. The Hon. E J Reyes.

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Hon. E J Reyes: Can the Minister for Housing provide details of remedial works undertaken and/or works still to be undertaken or completed, to the supply of the fresh water system at Alameda House in Alameda Estate, indicating if they are of a permanent or temporary arrangement?

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Clerk: Answer, the Hon. the Minister for Housing and Equality.

1260 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, the fresh water supply at Alameda Estate was provisionally rerouted externally via corridors as an emergency measure. The provisional installation is currently being secured within the inner side of the common areas to afford protection against extreme weather conditions, vandalism and accidental damage until a permanent re-routing solution is implemented as part of the forthcoming external refurbishment of Alameda House.

1265 **Hon. E J Reyes:** Mr Speaker, I am grateful and I am certain that the tenants will welcome that eventually a more permanent thing will happen. Any possibility of an indication of the dates when these external works would take place at Alameda House that will finalise the works that unfortunately had to be taken to the fresh water supply system at Alameda House?

1270 **Hon. Miss S J Sacramento:** Yes, Mr Speaker, in respect of Alameda House we are on track with our refurbishment plan and it is envisaged that the external refurbishment of Alameda House will commence in January 2018.

Q370/2017

**Homeless and drug-dependent ex-offenders –
Access to Government accommodation**

Clerk: Question 370. The Hon. E J Phillips.

1275 **Hon. E J Phillips:** Can the Government state what arrangements are in place for those who have completed a custodial sentence, have no place of residence and have drug dependency issues to immediately access Government accommodation?

Clerk: Answer, the Hon. the Minister for Housing and Equality.

1280 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, arrangements have been established between the Housing Department and all partner bodies, where cases of people falling under this category are discussed on a multi-agency basis and suitable accommodation is identified in accordance with Government allocation policies.

1285 **Hon. E J Phillips:** Just one further question arising from that: does that mean, Minister, that as soon as someone is released from prison having completed that custodial sentence, that arrangements are either put in place before they simply make their application for urgent rehousing or housing? How does it work on a practical level for those people to access accommodation in those circumstances? I am grateful.

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Hon. Miss S J Sacramento: Mr Speaker, under the new arrangements we do not wait for someone to have completed their sentence. This is where the Housing Department works with the prison authorities and social workers, probation officers or drugs workers, depending on the offender, to assist them in their reintegration prior to release. They will assist them in making an application.

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What I have said is that their application will be considered in accordance with the housing allocation policies. That is not to say that someone will automatically be rehoused upon release but that their application will be considered in line with the policy. If in consideration in line with the policy it means that the person meets the criteria for rehousing, they will be rehoused but

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they will be rehoused because they meet the housing criteria as opposed to an automatic rehousing because they have been in prison. I hope that is clear.

1305 **Hon. E J Phillips:** It is, yes. One further question: insofar as immediate homelessness is concerned, I assume that criteria speeds up their process.

1310 **Hon. Miss S J Sacramento:** It will be treated in the same way as a case of homelessness is concerned. It is not an automatic case that someone who finishes serving a custodial sentence will be rehoused by the Housing Department; that person may have a house to go back to. If that person is likely to be vulnerable or at risk because they are homeless, then the case will be treated as a homeless case in the same way that other cases are treated and they will be given priority accordingly.

Thank you.

Q371/2017
Assisted living flats –
Allocation to old age pensioners

1315 **Clerk:** Question 371. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What is this Government's policy in relation to allocating assisted living flats to old age pensioners?

1320 **Clerk:** Answer, the Hon. the Minister for Housing and Equality.

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, Government does not have assisted living flats for old age pensioners.

1325 **Hon. Ms M D Hassan Nahon:** Mr Speaker, firstly, can I just clarify the term I am using so that the Minister understands: the ones like Sea Master Lodge and Charles Bruzon House – what are they known as?

1330 **Hon. Miss S J Sacramento:** Mr Speaker, those are flats that are purpose built for the elderly. They are not assisted living flats. Assisted living flats are something completely different and it is something that ... In the UK, for example, assisted living flats for the elderly would have live-in assistance or some kind of care or assistance provided to them as part of the package of the flat.

1335 The flats that we have are flats for elderly people, for pensioners, and the two latest blocks that our Government has built and which we inaugurated recently have been specifically purposely built and are completely accessible for the needs of elderly people to help them live independently in the community. If these are the flats that the hon. Lady is referring to, flats such as Charles Bruzon House and Sea Master Lodge etc., then the criteria used for allocating these is primarily for people who are elderly and are on the medical list. Allocations are also made to the people who may be on the housing exchange list. Those are the two primary ways of people being rehoused in these flats that are purposely built for the elderly.

1340 **Hon. E J Reyes:** May I, Mr Speaker? In connection with that, the hon. Lady has just explained the criteria and the priority being given to those on the medical list and so on, which I think is a well-established norm. However, Mr Speaker, could the Minister enlighten us: is it correct that there are those elderly people on the medical list who have been led to believe that because
1345 they are renting from a private landlord at present and not from the Government rental stock

that they will not be eligible to move into these flats? Can the Minister confirm or deny that, so that we can allay certain fears?

1350 **Hon. Miss S J Sacramento:** No, that is not the case at all, because those individuals are
entitled to be applicants and, as applicants, if they are then considered to be on the medical list
they will be on the medical list just like anybody else who is a current housing tenant. So it is not
to say that only people who are housing tenants and on the exchange list are eligible for the
elderly flats. Anybody on the waiting list, depending on where they are at this stage, would be
1355 allocated one of these flats, and indeed we have allocated many of these. So that is absolutely
not true.

1360 **Hon. E J Reyes:** I thank her, Mr Speaker. I know what elderly people are like... I already fall
into the category of those of us who are on the 60-plus! I am not saying that her Ministry or
Department are necessarily incorrect in the information they give, but elderly people can
sometimes easily misunderstand. More than one person came out from meetings at the Housing
Ministry saying, 'Yes, but we've been told there's a huge disadvantage because we don't have a
Government flat to return back to the stock,' something that I know previous Governments have
1365 also at times had to use that priority – if an elderly couple, for example, could be occupying a
4RKB and are on the medical list and would benefit from moving down to the 2RKB in, for
example, the beautiful Charles Bruzon House, and release a 4RKB. But certainly it is good news
to hear that because someone is renting from the private sector it does not necessarily exclude
them from the list and therefore if there are still any misunderstandings I will take it up
personally with the lady, like we do on a couple of occasions.

1370 **Hon. Miss S J Sacramento:** No, Mr Speaker, the supplementary question was as to eligibility
and I can confirm that as long as people meet the criteria to be an applicant for housing – and
someone who is in a private rental would meet the criteria – then there is no reason why they
cannot be on there. The rules are very clear and I know that the Department explains it very
clearly.

1375 **Mr Speaker:** The Hon. Marlene Hassan Nahon.

1380 **Hon. Ms M D Hassan Nahon:** My supplementary was pretty much along the same lines as the
hon. Gentleman on my right, in that I have had a couple of complaints from constituents who
feel that because they are not on the Government tenants list and are renting privately ... old
age pensioners want to be eligible to rent these old age pensioner flats – we are not calling it
assisted living – so I will go back and tell them that they are not prejudiced in any way and they
have the same rights as any existing Government tenant. Is that right?

1385 **Hon. Miss S J Sacramento:** Yes. What the Department does when they consider allocation,
because there is a difference between eligibility and your entitlement to be on the list and how
then your application is considered and the urgency and the weight that you are given when
allocation ... At the time of allocation we look at who at that point on the list will need it most.
So, if someone is on the waiting list and is in a private rental but may be particularly old or frail
1390 and living in a flat that is extremely inaccessible for them, which means that they have a very
poor quality of life, then that person would have priority over somebody who may be a bit fitter
or a bit healthier and living in Government rental accommodation, notwithstanding the fact that
they would release rental accommodation. What the Department does is they do a balancing
exercise where they try and assist all the applicants on the list and also try to look at everything
1395 in the round. So it all depends on the individual and the individual's circumstances and the
urgent need of the individual to be re-accommodated.

Q372/2017

**Government rental housing –
Policy re arrears agreements and parking spaces**

Clerk: Question 372. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What is the Government's policy in relation to Government housing rental tenants who have arrears agreements and parking spots?

Clerk: Answer, the Hon. the Minister for Housing and Equality.

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, household tenancies and parking spaces are not connected. As such, anyone with an agreement for payment of arrears of rent enters into an agreement in respect of the flat only. Anyone who is in arrears of rent is not entitled to additional benefits, and this includes a parking permit or a licence to park in the estate.

Hon. Ms M D Hassan Nahon: Mr Speaker, would the Minister for Housing understand that to those tenants who are paying their arrears – many of whom have financial issues, which is what got them there in the first place – this policy to them is connected in the sense that it does punish those with arrears agreements because their parking spot gets removed and perhaps they depend on their cars to maybe take their kids to school or do the shopping, or perhaps it is a very important part of their everyday living? Considering that they have come into an arrears agreement, and especially for those, I suspect, most of whom are keeping to it, they feel like this parking spot removal is a punishment to them and to their lives. Would the Minister for Housing be willing to review such a policy?

Hon. Miss S J Sacramento: Mr Speaker, the starting point is that we are talking about people who do not pay their rent but still can afford a car – and of course the petrol and the insurance and all the inherent expenses of the vehicle.

I have to say, Mr Speaker, that there have been a couple of estates where the parking permits have expired in the last couple of months – there have been four estates that come to mind – and since we have written to people informing them of the Government policy that anybody in arrears of rent is not entitled to any extras ... So it is not just the parking, the ability to avail themselves of a parking space that we are not making available anymore; it is the same as people who are not entitled to have a berth and to have certain other additions that go beyond the protection of being in your dwelling.

Mr Speaker, the number of people who have automatically come in and paid lump sums have been people who have not paid rent in 10 years, 15 years, who, for the sake of not losing their parking, have paid the arrears. So I do not agree with the hon. Lady's premise that people cannot afford to pay their rent and that is why they are in arrears. In fact, some of the anecdotal information that I have from my office, who are meeting people who are coming in and clearing their arrears completely in the last couple of months when we started dealing with estates where parking has expired ... There was a particular gentleman who came in and said, 'No, I cannot pay – let me pay you half of my arrears,' which was a few thousand pounds, 'but I'll pay you the other thousand in a few months' time because I'm going on a cruise next week,' and we said, 'Well, sorry, your parking space, your permit, expires in the next two weeks – you can either pay it in full or you will find yourself clamped when you come back from your cruise,' and within 24 hours the full lump sum was paid. Someone else paid a lump sum, Mr Speaker, incredibly enough, of £19,000 so as not to lose their parking space.

So, Mr Speaker, all cases are considered on a case-by-case basis – (*Mr Speaker: Que caradura tienen la gente!*) (*Laughter and banging on desks*) Precisely, Mr Speaker, and it is because we

1445 recognise ... What we do is we distinguish between *la gente con la caradura* and people who genuinely cannot pay, and it is the *caraduras* who are not allowed the parking permit. We do look at people as individual cases and there have been exceptions made for people who we know are in genuine hardship or people who may have a disability and they therefore need their parking. But what we will not do it for, Mr Speaker, is for the *caradura*.

1450 Only recently – another anecdote, Mr Speaker – someone asked for us to make an exception to the parking permit. When we looked at the household and the income, there were four people in the household in employment – all of them were in employment. Most of them were earning around £20,000 and the highest earner was earning £40,000, and the car for which they were seeking the permit and they were asking us not to enforce the policy for the parking was a brand new Mercedes Benz. So, yes, *cara dura* indeed.

1455 But it is for the *caraduras*, Mr Speaker, to whom this policy applies, and for the people who are in circumstances of genuine hardship to whom it does not apply, and it is because of the application of that policy that we have for the first time made tremendous in-roads in the recovery of arrears.

1460 **Several Members:** Hear, Hear. (*Banging on desks*)

Mr Speaker: Next question.

CULTURE, THE MEDIA, YOUTH AND SPORT

Q373/2017

Ince's Hall mural – Cost and selection of artist

Clerk: Question 373. The Hon. R M Clinton.

1465 **Hon. R M Clinton:** Mr Speaker, can the Government please advise what was the cost of the graffiti mural painted on the northern side of Ince's Hall and what tender process was followed in selecting the artist?

1470 **Clerk:** Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): Mr Speaker, the total cost of the graffiti mural was £19,881.34. The acclaimed and highly regarded street artist Ben Eine directly approached the Government to undertake the job.

1475 **Hon. R M Clinton:** Mr Speaker, if I then correctly understand the Minister, by the artist directly approaching the Government obviously there was no tender process. Can I ask the Minister: £20,000 to paint the side of the building is not an inconsequential sum – how was the artistic merit of the proposal decided upon?

1480 **Hon. S E Linares:** Mr Speaker, the hon. Member asks first of all about the tender. If someone wants to commission a Dalí or a Picasso or a Christian Hook, you do not go out to tender. That is the first thing. (*Interjection*) Christian Hook, yes, that is why I had to put him in! You could not acquire a Picasso or a Dalí, because they are both dead, Mr Speaker! But anyway, the point is that if you want somebody who is a brilliant artist to do a job, you tell them, 'Here's the wall: do your art,' which is the second point that the hon. Member actually made. We do not tell the artist what they have to do. It is their skill, their profession, to do what they need to do with the

1485

wall, and that was the case with Ben Eine, who is, like I said, an acclaimed street artist who wanted to do a street art. We gave him the opportunity of using that wall and he produced the magnificent, fantastic painting which is there.

This is a subjective thing, therefore people might like the wall in grey and I might like it in orange, and the artist believed at the time that what he painted on the wall was what should have been done. So there might be people who like it or there might be people who do not like it. All I can tell you is that it is attracting loads of tourists taking photographs because of the magnificent painting on that wall.

Hon. R M Clinton: Mr Speaker, indeed, art is in the eye of the beholder, but can I ask the Minister how was the decision made: is there an art appreciation committee within the Culture Agency that decides these things, or was it purely a subjective matter for himself?

And I may ask one further question: how was it that the artist approached the Gibraltar Government? What are his connections to Gibraltar? And are there any plans for him to do any further such murals in Gibraltar?

Chief Minister (Hon. F R Picardo): Mr Speaker, the artist approached me through his girlfriend, who is a Gibraltarian. This is a person of international renown as a street artist and he said, through that link to the Government of Gibraltar, 'I would be delighted to paint a wall in Gibraltar.'

This gentleman has a huge following. People travel to see his art around the world. He has just finished doing something in Buenos Aires; he has done a number of things in Spain and in the United Kingdom. He was very well connected to somebody the hon. Gentleman may have heard of: Banksy. He painted with Banksy for many years and Ben was very closely linked to Banksy.

This was not a question of the Government deciding it wanted street art of that form; this was an artist who approached the Government and said, 'I would be delighted if you would give me a wall to paint my street art,' and depending on what wall a different sort of thing would have been painted. The wall proposed by the Government was Ince's Hall, which is related to entertainment. So, in his view, because he is the artist, he thought it made sense to paint 'That's Entertainment'. I think it is a magnificent depiction of what has gone on in that building for many hundreds of years and a way of making that building modern for a while. But, as Mr Eine himself said on television, all he has put on the building is paint. It can be taken down when the time comes to do a full refurbishment of that building in the style of the Gibraltar International Bank, which refurbishment Minister Isola led on and did a magnificent job on.

I do not know whether there is such a thing as an arbiter of taste, but most artists decide for themselves what it is that they put on whatever they are invited to use as canvas. Frankly, from my point of view, as somebody who has no understanding of art and is just a layman who sees things that he likes and things that he does not like – and some of the things I like art critics think are terrible, and some of the things I dislike art critics think are magnificent – I happen to think this is magnificent because it really shows in a piece of modern street art what the Ince's Hall is all about. It is smarter than it was and I would like to use this opportunity to thank Ben Eine for having come to Gibraltar, for having decorated a historic building like the Ince's Hall as he has. It is not something that is going to be there forever, because the building will be refurbished in the style of the whole of that area in some appropriate moment, but I am delighted that we have been able to have Ben Eine come to Gibraltar. He volunteered to do so; we have really just paid for paint, accommodation and for him to come – at his request.

I think that part of Gibraltar is smarter and it is more fun as a result of this magnificent piece of street art. Is my view shared? Well, Mr Speaker, it might not even be shared on this side of the House, it may not be shared on that side of the House, it may be shared by many outside, it may be shared by very few outside. Beauty is in the eye of the beholder and I reckon that if we

had painted it beige, the hon. Gentleman opposite might have loved it. But look, at the end of the day, that's entertainment! (*Laughter and banging on desks*)

Hon. R M Clinton: Well, Mr Speaker, I am grateful for the Chief Minister's intervention and his acceptance of responsibility for the choice of artist and in fact the graffiti that was painted on that wall. I hasten to add that I have always been a great admirer of art, albeit a lot of the art now, in the form of Christian Hook, I cannot afford, alas.

If I may ask the Chief Minister just one supplementary, then, on this subject: is there any intention of any further art to be done in Gibraltar by this particular artist, or indeed any other street artist? And, as regards the choice of colour of beige, no, perhaps white would have been better – at a much lower cost of £5,000 plus waterproofing – but never mind.

Hon. Chief Minister: Mr Speaker, I had a magnificent choice before me. The hon. Gentleman has said that I have taken responsibility for the choice of artist. I had an absolutely magnificent choice of artist: I had one artist who volunteered. So, given that choice, I felt duty bound to give it to him, given that nobody else had volunteered to give us of their time. Nobody else of international renown, or indeed at all, had offered to give us of their time to create this street art at cost. So I will take full responsibility for making the choice out of the one that was available.

Mr Speaker, there is a programme of street art – which is not my responsibility, it is the responsibility of the Ministry for Culture in close liaison with the Ministry for the Environment – which will shortly be rolled out. I do not think we should be prompted to make an announcement about that now, because I think it is an exciting opportunity, which many other cities are taking, which does not involve much painting in beige or in white, which the hon. Gentleman would obviously quite love. I think that modernising a city at the same time as being militant in the preservation of its heritage is what the future is all about, and that is what this Government is all about.

Mr Speaker: Next question.

Q374-375/2017

Gibraltar Football Association – Arrangements re purchase or lease of facilities

Clerk: Question 374. The Hon. E J Reyes.

Hon. E J Reyes: Can the Minister for Sport furnish this House with full details pertaining to the sale/lease of any sporting or other facilities, such as at the Victoria Stadium, to the Gibraltar Football Association?

Clerk: Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): Mr Speaker, I will answer this question together with Question 375.

Clerk: Question 375. The Hon. E J Reyes.

Hon. E J Reyes: Can the Minister for Sport furnish this House with full details of its intentions, if any, to re-provide or re-site sporting facilities which may be lost for public use at the Victoria

Stadium/Bayside Sports Complex as a result of the arrangements it has entered into with the Gibraltar Football Association?

1585

Clerk: Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

Hon. S E Linares: Mr Speaker, both these questions will be answered in detail in the Budget statement which I will be delivering early next week.

1590

Hon. E J Reyes: I understand that, Mr Speaker; however, it will not allow me to pose any supplementary questions should they, in the information that has come forward, arise. I do not know ... Perhaps your guidance ...?

1595

Mr Speaker: Unless the Hon. Mr Reyes speaks before ... If you speak before the Minister, then you have a problem. If you speak after the Minister you will be able, in your own contribution, to raise matters which you are interested in and which he may or may not have covered. In any case, given that you have put these questions and they have not been totally answered, I will be liberal and I would hope the Minister would also be liberal if you ask him to give way and to answer any specific matters that you may deal with.

1600

Chief Minister (Hon. F R Picardo) Mr Speaker, if I can be of assistance to the House, I am intending to inform the House that we should be taking the Budget debate to the Appropriation Bill on Monday.

1605

The Hon. the Deputy Chief Minister has a proposed draft order of speeches that we will circulate, so that we can agree, as usual, the order of our interventions, and the hon. Gentleman will be pleased to see that he will be speaking in our proposal, just like last year, after the hon. Gentleman – in fact, I think four or five after the hon. Gentleman – so he will have an opportunity to tailor his congratulations to the hon. Gentleman for the announcements he will make in good time.

1610

Mr Speaker: So, if the Hon. Mr Reyes deals in your contribution with issues that you would have tackled in supplementaries, then I would give the Minister the opportunity, if you give way to him, to deal with those matters.

1615

Hon. E J Reyes: Yes, Mr Speaker, I think we will do that and I think it is implied in what you are saying that, if as a result of all that and digesting on the answers, should I then need to come up with a formal oral question or whatever, say in the September session, I am sure Mr Speaker will be liberal enough to allow me to pose a question despite not being in the six months' time span because of what is happening. With that assurance, then, I am satisfied with what has been explained, Mr Speaker.

1620

Mr Speaker: Right, we now recess until three this afternoon.

The House recessed at 1.03 p.m. and resumed its sitting at 3 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.06 p.m. – 4.43 p.m.

Gibraltar, Wednesday, 21st June 2017

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The Gibraltar Parliament

The Parliament met at 3.06 p.m.

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

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

Questions for Oral Answer

CULTURE, THE MEDIA, YOUTH AND SPORT

Q376/2017

**Gibraltar Sports and Leisure Authority –
Assistant Resources Manager**

Clerk: We continue with answers to Oral Questions.

We recommence at Question 376 and the questioner is the Hon. E J Reyes.

5 **Hon. E J Reyes:** Mr Speaker, further to the answer provided to Question 227/2017, can the Minister for Sport update this House in respect of the outcome relating to the selection of the Assistant Resources Manager, which was a grade 4 post, within the Gibraltar Sports and Leisure Authority?

10 **Clerk:** Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

15 **Minister for Culture, the Media, Youth and Sport (Hon. S E Linares):** Mr Speaker, the selection process was finalised and a successful candidate identified. This individual started her new post on 1st June 2017.

20 **Hon. E J Reyes:** And, Mr Speaker, does it follow from there that there are now any vacancies arising within the Gibraltar Sports and Leisure Authority, or was the successful applicant an external applicant?

25 **Hon. S E Linares:** No, Mr Speaker, the successful candidate is not an external candidate but from within, and now it will probably go down the line, as it usually does. But I must emphasise that the GSLA has not yet agreed as to the money levels as it goes down the line. Because this is a managerial post, people from within the organisation will probably apply for these posts and then we will need to review the whole of the organisation at the bottom part.

30 **Hon. E J Reyes:** Mr Speaker, can I deduce from that ... In previous answers some months ago the Minister did mention that they were holding discussions with the staff side representatives and so on. Is that process still ongoing and needs to be updated now in light of this vacancy, or is the process now at its final conclusion stages?

Hon. S E Linares: Mr Speaker, it is still ongoing.

Q377/2017
GSLA Swimming Pool Complex –
Lockers

35 **Clerk:** Question 377. The Hon. E J Reyes.

Hon. E J Reyes: Can the Minister for Sport provide details of how many lockers are installed at the GSLA swimming pools and, of these, how many are (a) available for public use, (b) currently awaiting repairs, (c) assigned for use to GASA members or any other entity, and all this, together with details of terms and conditions for their use?

Clerk: Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

45 **Minister for Culture, the Media, Youth and Sport (Hon. S E Linares):** Mr Speaker, at present there are: (a) 152 lockers available for public use at the GSLA swimming pool; 110 of these are located in the accessible pool and 42 in the 25-metre pool. (b) Only five of these lockers are awaiting repairs and replacement locker units ordered; these are located in the accessible pool. (c) No lockers are assigned for use to any entity.

50 **Hon. E J Reyes:** Mr Speaker, can I ask the Hon. Minister to please have a look at the situation there, because I am told by members of the public who go there that although the number of lockers was well in excess of 100, such as the Minister has confirmed today, that very few of them were actually available for use, hence leading to a sort of a hypothesis that they are either awaiting repairs – which has now been confirmed as being only five and that none have been assigned to GASA and others. It seems to be the same lockers that are constantly, from opening time to closing time, unavailable, so something has gone wrong somewhere in the system. I do not know if the Minister knows any further information at present or if he can commit himself to look into this as soon as possible.

60 **Hon. S E Linares:** Mr Speaker, in relation to the lockers, the information that I have here, obviously pre-empting the hon. Member's supplementary, is that there seem to be people of the public who keep the key. Therefore the problem is being looked at. People get the key and take it home with them, and the problem obviously is that then if you have 100 lockers of which 90 people open the locker and take the key, the availability is going to be only 10.

65 I can tell you that the management is actively looking at a way in which people are not able to take the key and also telling the people to bring back the key. Another thing that they do is they try and take the actual lock off and put new locks in, but again the same thing happens, so it is a problem that the management is trying to sort out due to the people taking the keys home.

70 **Hon. E J Reyes:** I am very grateful for that part of the answer. Yes, it does lead to ???55.56 which is why I had ended my question saying 'together with details of terms and conditions for their use'. I am sure one can deduct from there that the terms and conditions are that it is for day use only and the keys will be returned.

75 Rather than a question, I want to end up with an assurance to the Minister that he can count on my full co-operation so that we can eradicate this abuse by what is today's phrase, the *caraduras*, once and for all.

Hon. S E Linares: Yes, thank you, Mr Speaker, and thank you to the hon. Member for that.

80 We were trying to solve the problem and one solution would have been to pay a pound, for which you keep the key and then you get your pound back, but obviously people were leaving the pound there and keeping the whole locker for themselves.

I thank the hon. Member for stating that he will help and we will try and eradicate the *caraduras*.

85

Hon. E J Reyes: And I dare to say even Mr Speaker will join us.

Q378/2017

**GSLA Swimming Pool Complex –
Solar panels**

Clerk: Question 378. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state the total cost to the taxpayer of the
90 installation and maintenance of the solar panels at the GASA pool?

Clerk: Answer, the Hon. the Minister for Culture, the Media, Youth and Sport.

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): Mr Speaker, the GASA
95 pool has been under the GSLA management and known as the GSLA Swimming Pool Complex since April 2012.

The total cost to the taxpayer for the installation of the solar panel system at the GSLA pool complex was £683,250.43.

The maintenance contract for both systems is £68,000 per annum.

100 The contract is held by Green Resources and entered into as part of the installation package. This is up for renewal in 2018.

It is important to note that since the swimming pool complex has been utilising solar panels our cumulative savings on the electricity bills are currently at £270,339.13, with fuel savings of approximately £75,000 per annum. Therefore the total saving to date is approximately
105 £720,000. Not only has it surpassed the capital expenditure, but it is also producing surplus electricity which is fed back into the grid.

I have not got anything prepared here, because the hon. Member should also know that from the £683,000-odd that I told him, approximately £290,000 of that was EU funding.

110 **Mr Speaker:** Next question.

INFRASTRUCTURE AND PLANNING

Q379/2017

**Illegal parking –
Intention to increase fines**

Clerk: Question 379. The Hon. T N Hammond.

Hon. T N Hammond: Mr Speaker, I tabled this question some time ago, so if I may just rephrase it slightly because it is not quite in date anymore. (*Interjection*) Yes, I appreciate that,

115 and so the answer should be the same; I just need to rephrase the question ever so slightly to make it make sense. So, I would ask...

Chief Minister (Hon. F R Picardo): As a matter of procedural propriety, I do not think it is possible for the hon. Gentleman to change the question that is on the Order Paper. I appreciate that he may wish to seek to make it relevant, but I think for the purposes of the record he must read the question as it is on the Order Paper and then perhaps as a supplementary he may wish to clarify, as he has, matters that relate to the updating of the question.

Mr Speaker: Ask the same question.

125 **Hon. T N Hammond:** I am happy to ask the question as written; it does not require much explanation, Mr Speaker.

Can Government say if it is the intention to raise the fine for illegal parking on 1st April; and if so, by how much?

130 I just wish to clarify that the intention is 'Was it raised last 1st April?' This is not a reference to the next 1st April.

Hon. Chief Minister: Mr Speaker, the hon. Gentleman needs to know that the record of *Hansard* for Question Time is produced with the question read out and then the answer. So everything he has said will not likely be in the *Hansard*. If he wants it to be in the *Hansard* – I am not saying it should not be in the *Hansard*; there is no difficulty with that – he has to do it in the context of his first supplementary because the *Hansard* of questions and answers is question-answer, and then the supplementary can be the clarification. Otherwise, what he has said today just now, what you want on the record – and I think it is absolutely right it should be on the record – will not be on the record.

Mr Speaker: The Hon. the Minister for Infrastructure and Planning.

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, fines for illegal parking were not raised on 1st April 2017.

Mr Speaker: Now withdraw that.

145 **Hon. T N Hammond:** I thank the Chief Minister for his advice. Just to clarify, the question was lodged before 1st April and hence it was written in a different tense to the one that is now relevant.

Q380-381/2017
Bus Company –
Bus drivers working on supply

Clerk: Question 380. The Hon. T N Hammond.

150 **Hon. T N Hammond:** Mr Speaker, can the Minister say how many bus drivers work on supply to the Bus Company and for how long they have been on supply?

Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

155 **Minister for Infrastructure and Planning (Hon. P J Balban):** Mr Speaker, I will answer this question together with Question 381.

Clerk: Question 381. The Hon. T N Hammond.

160 **Hon. T N Hammond:** Do supply drivers for the Bus Company enjoy the same terms and conditions as full-time drivers; and if not, can the Minister explain how these terms and conditions differ?

Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

165

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, as far as our Bus Company goes, three drivers have been taken on as from 14th June 2017 to work on a supply basis. These drivers are only called as and when required and do not enjoy any of the terms and conditions of a full-time driver.

170 At present there are no other drivers on the payroll that work on a supply basis.

Q382/2017

Sustainable Transport, Traffic and Parking Plan – Environmental zones

Clerk: Question 382. The Hon. T N Hammond.

175 **Hon. T N Hammond:** Mr Speaker, can the Minister clarify what special provisions will apply within the environmental zones as described in the Sustainable Transport, Traffic and Parking Plan?

Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

180 **Minister for Infrastructure and Planning (Hon. P J Balban):** Mr Speaker, the environmental zone should not be considered as a standalone project but rather be viewed as an overall objective of the STTP which is to improve the current traffic, transport and parking situation and encourage behavioural change and a shift in modal transport towards more sustainable alternatives which will be better for the environment.

185 An environmental zone can be considered as a low-emission zone aimed at improving air quality. The manner in which this can be achieved is by the control of parking within the zone and also by improving traffic flow within these areas so as to reduce congestion.

The control of parking looks at, where possible, relocating parking outside the zone so as to encourage less vehicles to enter the zone, coupled with the redesignation of parking facilities to accommodate essential parking by the introduction of pay and display parking.

190 Other measures which are being considered include making access to areas within environmental zones limited to commercial vehicles and/or permit holders only. An example of this is what has recently been introduced in Main Street whereby access has been restricted to fewer hours and special loading and unloading hubs have been provided within the close proximity of Main Street, thus reducing vehicular movement in the centre of town.

195 In addition to these measures, the environmental zones will be complemented by improved pedestrian access to the zone and by enhancing public transport links.

Q383/2017
Governor's Lane –
Measures to curb speeding

Clerk: Question 383. The Hon. E J Phillips.

200 **Hon. E J Phillips:** Mr Speaker, can the Government confirm what further specific traffic measures it will introduce in the area of Governor's Lane, where the book shop is located, to curb speeding?

205 **Clerk:** Answer, the Hon. the Minister for Infrastructure and Planning.

210 **Minister for Infrastructure and Planning (Hon. P J Balban):** Mr Speaker, at this moment in time the Government cannot be categorical on what traffic measures will be introduced to curb speeding at Governor's Lane. The width of this road and the restricted access by the Gibraltar Book Shop makes identifying a solution challenging when trying to balance pedestrian safety and continued traffic flow in the area.

As part of the STTPP a number of options are currently being developed for consideration by the Traffic Commission and once a full assessment has been completed a decision will be taken.

Q384/2017
Redibike scheme –
Upkeep and maintenance

Clerk: Question 384. The Hon. Ms M D Hassan Nahon.

215 **Hon. Ms M D Hassan Nahon:** Who is responsible for the upkeep and maintenance of the RediBike scheme?

Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

220 **Minister for Infrastructure and Planning (Hon. P J Balban):** Mr Speaker, the upkeep and maintenance of the RediBike scheme is carried out under contract by Gibraltar Parking Management Services Limited.

225 **Hon. Ms M D Hassan Nahon:** Mr Speaker, could the Hon. Minister say whether this contract went out to tender?

230 **Hon. P J Balban:** Mr Speaker, the actual cost involved in the Redibike scheme was actually funded by a private company; it was done with Gib Oil. The actual part of the maintenance was in addition to the contract held by the company that does parking management, so it is part of the same company as the PMOs. So the contractor that deals with parking management, PMOs, have this as part of their contract. It is in addition to that. *(Interjection)* And that went out to tender. That went out to the three quotes system originally.

235 **Hon. Ms M D Hassan Nahon:** I am sorry, I am a little bit confused. So because it was privately funded there was some sort of agreement with the parking company that they would then get the contract for the maintenance?

Chief Minister (Hon. F R Picardo): No, there are two stages which the hon. Lady is confusing. The launch of the scheme, the funding of the scheme, is not something the Government has paid for; it has been paid for through sponsorship. There was an announcement which details how it was paid for. The maintenance of the scheme is something that was included in the three quotes that were sought generally in relation to parking. So the parking scheme, the enforcement of the parking scheme which is run by this company, Gibraltar Parking etc., was the subject of three quotes sought from the companies that could do that sort of work, and that included the maintenance of the Redibikes. So there was a competitive process in respect of this as part of that general traffic parking maintenance contract.

Hon. R M Clinton: Mr Speaker, just a simple point of clarification: can the Chief Minister confirm that Gibraltar Parking Management Services Limited is not owned or controlled by the Government, it is an independent third party private company?

Hon. Chief Minister: Well, Mr Speaker, we are not in the habit of seeking quotes from ourselves. *(Laughter and interjection)* Yes, but it is quite different to charge yourself import duties, stamp duties etc., which the law requires, and quite something *[inaudible]* *(Laughter)*

ENVIRONMENT, ENERGY, CLIMATE CHANGE AND EDUCATION

Q322-323/2017

East Side wave power generator – Serviceability; output

Clerk: Question 322. The Hon. T N Hammond.

Hon. T N Hammond: Mr Speaker, can Government confirm that the East Side wave power generator is still serviceable and whether it has suffered any periods of unserviceability in the last six months?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, I will answer this question together with Question 323.

Clerk: Question 323. The Hon. T N Hammond.

Hon. T N Hammond: What has been the average monthly output and peak output of the East Side wave generator since October 2016?

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

Hon. Dr J E Cortes: Mr Speaker, the East Side wave power generator recently suffered several months of unserviceability due to repairs and modifications undertaken following the severe weather experienced on 29th September last year and subsequent storms. It is currently serviceable.

The average monthly output since October 2016 is 40.2 kWh. Peak output is 4.5 kWh.

Hon. T N Hammond: Can the Minister please advise: from 29th September was it one single long-term outage until it became serviceable or were there several shorter outages in that period?

285 **Hon. Dr J E Cortes:** Mr Speaker, I think we must remember that this is not a Government facility, it is Eco Wave that runs it, but I am able to facilitate the information.

It was out of action due to storm damage from 29th September to 5th October. You will recall that there has been a lot of bad weather over the winter period right into the spring. There were modifications being carried out on it and that took a number of months from
290 28th October to 2nd February. From 2nd February it was working partially as they were monitoring how the modifications were going, and the modifications were completed by the end of March.

Hon. T N Hammond: I do thank the Minister for the answer and I do recognise it is a private project, of course, but it is a private project which is very much, I believe, supported by
295 Government when it was initially launched.

I do wonder whether these extensive outages have made the Government consider whether wave technology of this nature is in the best interests of Gibraltar in terms of long-term renewable energy strategy or whether other forms of renewable energy might be exploited,
300 bearing in mind we have had, over a six-month period, the best part of five months with the system either unserviceable or being upgraded.

Hon. Dr J E Cortes: Mr Speaker, the use of the words 'in the interests of' is a curious one. Any renewable energy is in the interests of Gibraltar and of everybody else on the planet, needless
305 to say, no matter how little.

I think we must remember that this is a prototype, it is a new design; and the Government was very pleased to offer Gibraltar as a location for this innovative form of power generation. Like every pilot scheme, people will learn from the difficulties they experience. They have learned; they have changed. In fact, only yesterday there was an announcement of a very similar
310 plant being opened very soon in Mexico using the example that Gibraltar has given, because they have been able to modify and make it more effective.

So, because it was minimal investment from the Government – I think all we did was throw the cable down the cliff to connect it; it was all done at the expense of Eco Wave – I think it is certainly worth allowing that to continue. Hopefully they will be able to refine the technology
315 and it will then be producing a lot more power for Gibraltar and using the lessons learned elsewhere in the world.

Mr Speaker: Next question.

Q324-326/2017

Upper Rock –

Mount Misery glass lookout; Skywalk; mobile app

Clerk: Question 324. The Hon. L F Llamas.

320 **Hon. L F Llamas:** Mr Speaker, does the Government have an estimated opening date for the Mount Misery glass lookout and an estimated final cost for the entire project?

Clerk: Answer, the Hon. the Minister for the Environment, Energy, Climate Change and
325 Education.

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):
Mr Speaker, I will answer this question together with Questions 325 and 326.

Clerk: Question 325. The Hon. L F Llamas.

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Hon. L F Llamas: Mr Speaker, did the Government consult or have any knowledge when planning the glass lookout at Mount Misery that the cable car was planning its own glass walkway at the top station?

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Clerk: Question 326. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, has the Government made any progress in updating or launching a new Upper Rock mobile app?

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Clerk: Answer, the Hon. the Minister for the Environment, Energy, Climate Change and Education?

345

Hon. Dr J E Cortes: Mr Speaker, the works were affected yet again by severe weather and the completion date was further delayed. The works are very near completion and are awaiting other works in the area to ensure safety. I will not at this time commit to a date. The final cost will be available once the project is completed.

The Skywalk was tabled and discussed publicly at the Development and Planning Commission, where the public had the opportunity to comment.

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Finally, the app has been completed and will be released to coincide with the opening of the Skywalk.

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Hon. L F Llamas: Just one supplementary, Mr Speaker. Can the Minister just confirm that the delay has been purely attributed to the weather and there have not been any other factors which have contributed to the delay?

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Hon. Dr J E Cortes: Mr Speaker, I believe one consignment of glass was found to be defective and had to be replaced at the cost of the company producing it. That is the only reason that I know that there may have been a little bit more of a delay; and also obviously when working in an area which is quite busy, things like putting up the crane and removing it had to be timed so that there was not a cruise liner and so on in port. But the main reason is certainly the weather.

Mr Speaker: The Hon. Roy Clinton.

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

I am not sure whether I heard the Minister correctly, but did he give an answer to Question 325 in terms of consulting and knowledge in respect of the cable car previously? You said it was mentioned at the DPC, but in terms of the consulting or having knowledge of the cable car before you did your own glass walkway was there any knowledge or consultation beforehand?

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Hon. Dr J E Cortes: Certainly not, no. The answer I gave in fact says that we ... Obviously anybody, including the cable car, could have commented. No, certainly we had no knowledge that the cable car was planning ... We do not even know if it was planning or they just thought it was a good idea and wanted to have one too. But no.

Q327/2017
St Michael's Cave –
PA system

375 **Clerk:** Question 327. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide details of the electrical or sound works being carried out at St. Michael's Cave, including cost, contractor, date works commenced, date works completed and details of the works?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):
385 Mr Speaker, the PA system works consist of 16 speakers, three amplifiers, cabling, two microphones and stand, rack and labour. Also included is a 12-month maintenance attendance and warranty which will be effective in the current financial year 2017-18.

Works were approved and started on 9th December 2016 and finished on 24th March 2017. Works were carried out by Sound Reinforcement Systems Limited. The works' cost was
390 £19,975.34 and the maintenance is £975 a year.

Hon. L F Llamas: Mr Speaker, I would ask the Minister ... Obviously it is difficult to pinpoint whether I am asking the correct question or not, given that I do not know what the cables are for, but there seem to be a lot of cables exposed around the stairways in the cave, some are in
395 conduits, others are just open and I am not sure if they are electrical or sound. Perhaps the Minister would be able to know whether these are the works he has quoted, or could there be other works which are pending? Obviously it seems like it is a job which either has not been finished or has been bad workmanship in terms of craft.

400 **Hon. Dr J E Cortes:** Mr Speaker, if the hon. Member wanted to know what the cables were he could have asked me directly and I would have found out. I do not know. My information is that the works were finished on 24th March; therefore I can only assume that these are other cables. I will certainly find out, but I do not have that information here.

405 **Mr Speaker:** Next question.

Q328-331/2017
St Martin's School and Early Birds Nursery –
Modifications; projected student numbers; bus replacement

Clerk: Question 328. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, what modifications to St Martin's School and Early Birds Nursery are being carried out or being planned in preparation for September 2017?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):
415 Mr Speaker, I will answer this question together with Questions 329, 330 and 331.

Clerk: Question 329. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, what is the projected number of students expected to be at Early Birds Nursery for each academic year 2017-18 and 2018-19?

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Clerk: Question 330. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, what is the projected number of students expected to be at St Martin's School for each of the academic years 2017-18 and 2018-19?

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Clerk: Question 331. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, following on from last year's Budget speech, what arrangements have been made to replace the old bus for St Martin's School?

430

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

435

Hon. Dr J E Cortes: Mr Speaker, St Martin's School is expecting an increase in pupil numbers in September 2017. Modifications are therefore focused on providing temporary additional and appropriate classroom space. Plans for this include the installation of new specialist toilet facilities along the same lines as was provided last academic year. This is an interim measure as the development of St Martin's new school is a priority for Government.

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The projected number of students expected to be at Early Birds Nursery for each academic year 2017-18 and 2018-19 is as follows: academic year 2017-18, 17 students; academic year 2018-19, 16 students.

The projected number of students expected to be at St Martin's School for each academic year 2017-18 and 2018-19 is as follows: academic year 2017-18, 49; academic year 2018-19, 53.

445

A generous provision has been earmarked specifically for a new bus for St Martin's School. Details will be disclosed during the course of the Budget debate.

450

Hon. L F Llamas: Mr Speaker, I would just like to ask one supplementary: therefore, the portakabin that has been placed in the car park – I take it that is for toilet facilities, or is it for classroom facilities?

Hon. Dr J E Cortes: Mr Speaker, specifically which portakabin is he referring to? There are several on the site.

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Hon. L F Llamas: I believe it is the one where the bus usually did a three-point turn, just as you go in, in the main entrance.

Hon. Dr J E Cortes: The portakabin at that level I believe is a toilet facility.

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Mr Speaker: Mr Clinton.

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

Would the Minister be able to tell the House how many portakabins are currently in use at St Martin's?

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Hon. Dr J E Cortes: No, Mr Speaker. Had I had notice of the question I would certainly have been very happy to provide it, but as I said earlier in my question, these are all interim measures

as St Martin's School is a priority for this Government – unlike the Opposition, who specifically said they would not build a new St Martin's School during the last election campaign.

470 **Hon. Ms M D Hassan Nahon:** Mr Speaker, if I may, I am picking up on this as a supplementary because I received a question from a constituent about these portakabins, saying that it was chaos when dropping kids off 'especially on rainy days', to quote. Can I know when this interim situation will be alleviated, when the parents will see the difference, please?

475 **Chief Minister (Hon. F R Picardo)** Mr Speaker, I had the same representations made to me some time ago, not just in relation to this portakabin but in respect of the design of St Martin's as it is today, how it has outgrown the purpose for which it was built in the 1970s. At the time that it was built St Martin's was of the standard required in the United Kingdom for special students like the ones we have there, and that is what led the Government to make the decision
480 that we had to build a new St Martin's. And so, Mr Speaker, the hon. Lady will be delighted to hear that during the lifetime of this Parliament those concerns that were raised with me at the end of the lifetime of the last Parliament will have been entirely alleviated.

The reason for rising, Mr Speaker, is that this is an important issue which the Hon. the Minister for Education is dealing with, with the Deputy Chief Minister and with myself, and an
485 announcement will be made which will clarify how we intend to deal with those and other issues as soon as we are able to, but in good time to ensure that the solution is in place in respect of that and other aspects affecting linked educational establishments in the lifetime of this Parliament.

490 **Mr Speaker:** Next question.

Q332/2017
Teachers –
Continuing professional development courses

Clerk: Question 332. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state the total number of teachers who have completed continuing professional development courses since December 2011?
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Clerk: Answer, the Hon. the Minister for the Environment, Energy, Climate Change and Education.

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):
500 Mr Speaker, all our teachers undergo continuing professional development (CPD) from the moment they start their teaching careers. *(Interjection)*

Hon. E J Phillips: Mr Speaker, the Minister has confirmed that all teachers have completed CPD courses ... all teachers in Gibraltar have completed them since 2011. *(Interjection)* All
505 teachers, courses.

Hon. Dr J E Cortes: Mr Speaker, the question was not courses, although many of them do, both in Gibraltar and outside, but continuous professional development – I know this myself: as a chartered biologist I have to continue undergoing this – has different types. There is the formal
510 course element and there is the at-work or in-service course element. Therefore, all teachers have undergone continuing professional development. All of us who are or have been parents or

grandparents know those days off that the children have, which are down to in-service training. That is part of the CPD that teachers undertake and there are also regular courses. People come sometimes from the UK in more specialist areas like special needs and so on; teachers will go to the UK for courses. So I am very happy to say that all our teachers carry out this continuous professional development.

Hon. D A Feetham: I rise as somebody who really does not know anything about CPD specifically for school teachers; I know about CPD for lawyers. I have a practice certificate in England and I do my CPD there; it is not a requirement here in Gibraltar. But listening to the hon. Gentleman it did strike a chord because CPD for lawyers in England is of two types. You can, for example, undertake lectures yourself and that will count for your points in terms of your CPD. But for lawyers, for example, you cannot just simply do all your points in lectures that you yourself do; you have got to go and do courses. So there is a mixture of both or just courses, and I just wonder what the position is in relation to school teachers.

Hon. Dr J E Cortes: Mr Speaker, I am very familiar with that. Again, in my own professional life I have had to do both. I was instrumental in bringing in formal CPD for doctors during my time as Minister for Health. In the case of teachers, they do undergo courses but not all of them are in the UK. In-service training – there is a whole programme of professional work that is done there and these are lectures by different members of the profession, by other professions from other areas, and that is all part of the continued professional development provided for teachers.

Q333/2017
GCSE grading system changes –
Measures to support staff

Clerk: Question 333. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state what specific measures the Department of Education has put in place to ensure all teachers and support staff are able to deal with the significant changes in the GCSE grading system emanating from the United Kingdom?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, the changes to the grading system are *not* significant. This year the assessments for GCSE English and mathematics will be reported using numbers from 1-9 as opposed to letters. A level 9 represents a super-A* only accessible to a very small number of pupils, as an example.

Hon. E J Phillips: Mr Speaker, insofar as the statement that they are not significant, I hesitate to disagree, actually, with that analysis.

One of my questions I would like to put to the Minister is that the teachers' unions in the United Kingdom have expressed huge uncertainty given the significant changes that have taken place in relation to the GCSE grading system, and I would have thought – and I would ask the Minister to state the Government's view on this – that it is quite clear that the change to the system, which I understand will be piecemeal from English language now and mathematics to other subjects until 2019 ... that significant problems have been identified in respect of the pressure that would occur in relation to the students. The unions in the United Kingdom have

expressed their deep concerns regarding the grading system. I wonder whether the Government is aware of those concerns and whether the teachers' union has raised them here with him directly, and what measures the Government is intending to put in place to alleviate any issues such as pressure on students.

Hon. Dr J E Cortes: Mr Speaker, I think where we differ is that the main changes and where the changes are more significant is in the content of the GCSE rather than the grading. Essentially they have become harder, both in breadth and depth of study. That is where the main concern has been and that is something where I have spoken to students directly about their concerns. But the team of advisers and senior management in schools are confident that they have been able to deliver. Through the year, UK experts have delivered in-service training to staff, and senior managers have travelled to the UK and attended conferences and then fed back to teachers in order to be able to deal with this.

There is therefore no reason to worry about these changes, but it is true that our results will probably suffer a slight dip in line with what UK results are expected to suffer as a result of these changes, and in fact these changes have been designed specifically to achieve this. So that is, I think, where the problem lies. I think that our teachers and the students have dealt with this magnificently this year. I have, in fact, attended exam days in both Westside and Bayside and seen it for myself. But it is likely, as in the whole of the UK, that there will be a slight dip in the grades. That will not be a reflection on the teachers or the students; it will be a reflection on the changes to the content of the GCSE.

Hon. E J Phillips: I think we should, of course, congratulate the teachers for the sterling work they are doing (**A Member:** Hear, hear.) (*Banging on desks*) to deal with the issue of the grading system changes in the United Kingdom, but what I would say in respect of – (*Interjection*) Have you quite finished? What I would say in relation to this point is that English is being taught as a language now, as English language as opposed to English, and a substantial amount of material is now going to be put to these students. One of the questions I had stemming from this question was to what extent have our teachers received further training or gone on courses in relation to that particular point on English language, because the material is now going to be much more extensive, the exams will be a lot harder and, as the Minister has indicated, there will be a dip in the results, which is to be expected in the circumstances.

Hon. Dr J E Cortes: Mr Speaker, I am confident that the training I mentioned earlier will be sufficient and that the results will probably be much better even than we think they will be.

If I may just comment that having attended Bayside and Westside during a maths GCSE exam and an English GCSE exam, I asked afterwards to be sent copies of the papers because I wondered whether 40 or more years later – 45 years later – I would still pass. I must say that, having a look at both papers, I thought I might struggle with the English one but I would pass the maths one – the fact that the Speaker was my maths teacher may in fact be related to that! (*Laughter*) So thank you, Mr Speaker, for those days in the old Grammar School.

Mr Speaker: The only thing is that all those ones that we got in those days today are no good; the nines are much better.

Hon. E J Reyes: I declare a vested interest, Mr Speaker: you were also my teacher and, you may recall, had we in our day achieved a grade 9 I do not think we would be on speaking terms now, because the numbers seem to have been reversed: a grade 1 was something to celebrate and a grade 9 was something to avoid Mr Canepa, if you saw him down Main Street!

Q334/2017

**Post-Graduate Certificate in Education –
Local need; consultation**

Clerk: Question 334. The Hon. E J Phillips.

610 **Hon. E J Phillips:** Mr Speaker, can the Government state what local needs there are for a bespoke Post-Graduate Certificate in Education and confirm the nature of the consultation that was conducted with the teachers and educators as part of the collaborative working between the University of Gibraltar and the Department of Education?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, firstly the Department of Education works closely with the University of Gibraltar on a range of subjects which are of mutual interest, this being one of them.

620 Further, the Department, under the social partnership arrangement with the Gibraltar Teachers' Association, keeps teachers informed of developments in education throughout and also endeavours to always consult teachers by engaging them in debate and affording opportunities for active discussions.

625 Through supporting the University, we essentially want to become the gatekeepers into education by providing a single pathway into teaching and guaranteeing the quality of the product. Furthermore, we want to give mature students, who perhaps have worked in different industries, the opportunity to become teachers and enrich the lives of students through their experience elsewhere. We passionately believe this can only be good for Gibraltar.

Q335/2017

**UK Student Loan Company –
Department of Education debt**

630 **Clerk:** Question 335. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What is the Government's position with regard to the Department of Education debt with the UK Student Loan Company since I uncovered this debt several months ago?

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

640 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):** Mr Speaker, the Department of Education has no debts with the Student Loan Company (SLC). The Department pays the company on behalf of the students for loans made to the students themselves.

645 Government's position remains unchanged: it is fully committed to repaying all student loans awarded by the SLC in respect of university tuition fees prior to 2010-11. In fact, Government's position is clearer than ever, given that during the past financial year significant inroads have been made to establish student payment thresholds and guide students through the yearly overseas assessment process to prevent accumulation of arrears.

The hon. Member should note that this student debt was created by the previous administration and not the present Government; therefore, she did not uncover the debt, given the arrangement was entered into by the party of which she was once a member.

Hon. Ms M D Hassan Nahon: Mr Speaker, I am well aware of this story because I uncovered it to the point that no one on the opposite side knew about it until I said it, and I was actually told it was not there – until a few days later I was told I was in fact right and there was a debt. And even though perhaps technically the debt belongs to the student, I think we all know that this was, yes, a mechanism perhaps from the previous administration, but that effectively falls on the Department of Education's lap.

So I think the hon. Gentleman knows where I am coming from and what I am trying to get to, and the basic answer I want is to know that there is a backlog and when will it be paid, because there are students who are still receiving demands to be paid and I believe that it is the Department of Education that has to settle this debt.

If I may just say, to give comfort at least to the students: when will these letters stop and when will this matter be resolved?

Hon. Dr J E Cortes: No, Mr Speaker, it is just not like that at all. The loans are given to the students. If a student is in any difficulty whatsoever, all they have to do is contact the Department of Education.

I can say that funds are awarded on a yearly basis to the level of around £600,000 in order to pay these debts. In fact, the outstanding amount at the moment is just over £400,000 less than it was six months ago, so this is regularly being paid. The Education Department has been paying monthly instalments of £50 per student blindly, in the sense that unless a student comes to the Department and says, 'This is the repayment that I have,' then the Department has no idea of how much it is.

The problem has been that the Student Loans Company was not prepared to give the Department of Education information on individual debts to individual students – one can understand that. So what has happened over the past year or so is that we have obtained consent to share status from the students, and the Department has painstakingly made sure that they have contacted all the students and finally we have been able to achieve that. So we are now able to ask the Student Loans Company for that information. There is an added difficulty in that the information now is paperless and so the student has to personally log on to the account; it is not a question of sending a bill through.

But I can say, Mr Speaker, that we are making the progress that is expected. There is nobody who is in any difficulty whatsoever. The number of students today who still owe money is about 40 or so less than six months ago, so we are regularly doing this and we offer all sorts of facilities, Mr Speaker. Students, for example, who remain in the UK are tracked and identified and placed on deduction of earnings from their salary, and then if those students send us their payslips we will reimburse them directly because those are deducted in the UK directly to the Student Loans Company. Moreover, students who have settled in the UK and have difficulties with their credit rating in applying for mortgages and so on, if they apply to the Department of Education with the information the Department will pay off all the loan.

So there is no difficulty, but certainly if there is some exchange between the loan company and the student that the Department is not aware of, then a payment cannot be made. But doors are open and there is no difficulty, and I can say absolutely that no student and no parent, no families, should at all be concerned. If they have any difficulty whatsoever they can get in touch with the Department or myself personally and we will sort it out.

Hon. E J Phillips: Mr Speaker, just one supplementary question in relation to this point. I have been in a room when one of these students in particular – it was just three weeks ago – was contacted by the Student Loans Company and this was the fifth call that they had received in as

many weeks relating to the student loan debt. This person got quite distressed by the fact that this company had been calling them on a regular basis to ask them about the debt and the fact that they had to pay it and that they had had no luck with the Government of Gibraltar in securing payment of that debt. I have been in the room when this has happened, this telephone call from the Student Loans Company, so I am telling you from what I have heard myself. *(Interjection by Hon. Dr J E Cortes)* No, I am not saying that. It is just that the difficulty that we have got ... We have got to realise the difficulties being faced by students who are in full-time employment and are being chased by this company, and although I understand that there is this consent to share, which is a useful mechanism in order for the Government to contact directly and discuss individual debts with the Student Loans Company, what I am seeing on the ground and the reports I am receiving and the first-hand knowledge that I have from hearing this discussion with the Student Loans Company with this particular former student – and this is a 2009-10 student – is that it is becoming quite distressing, and the challenge that is being presented there. I understand that this individual has contacted the Department of Education but there has been no luck in respect of that particular debt. I only offer that as information to the Minister so that active steps can be taken.

Hon. Dr J E Cortes: Mr Speaker, I can categorically say that no student need be worried and if they have that kind of call they should contact us. It is very possible that a desk officer in the Student Loans Company generates this information out of their computer and they make a phone call. This has happened before in other scenarios. It happened, I remember, to doctors, who were getting calls from the General Medical Council about an issue that we, at a high level, had resolved but the desk officers were not aware. We will take this up and if that student wants to get in touch we will take their case directly.

There is a more recent option now to enter into a power of attorney, which would allow greater flexibility, and if students want to enter into this arrangement, again those doors are open. But nobody should be worried, absolutely nobody, and if anybody is, they know where my office is and I will be very happy to accommodate all of them.

Hon. R M Clinton: Mr Speaker, if I may ask the Minister whether he is aware – he may be aware – of a press release issued by the UK Department of Education, HM Treasury, Student Loans, on 6th February this year, talking about the process of selling part of the English student loan book, which will affect the Student Loans Company. This may explain the sudden ... or appear to be the sudden perseverance of the Student Loans Company in chasing these loans. Looking at the notes to editors – and I can give him the page link if he is not aware of this:

Unlike these previous sales the income contingent loans included in this sale will continue to be collected by HMRC and SLC

– the Student Loan Company. And it says:

This sale involves securitising the remaining future repayments on the loans and selling securities representing the rights to these to a range of purchasers. The sale process is expected to take several months.

So it may be that the Government needs to review its position and perhaps consider the financial implications of settling all these loans at once, because it is evident that the UK Government itself is in the process of repackaging these loans and selling them off to third parties.

Hon. Dr J E Cortes: Mr Speaker, the Government is exploring that possibility.

Q336/2017
New schools –
Sale of land for funding

Clerk: Question 336. The Hon. Ms M D Hassan Nahon.

745 **Hon. Ms M D Hassan Nahon:** Regarding the new schools that Government has promised to build in this electoral term, can the Minister for Education confirm that no public land is being sold off to fund them?

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

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, arrangements for the funding of the new schools will be detailed when the relevant projects are announced.

755 **Hon. Ms M D Hassan Nahon:** Can I ask the Minister how long that will take, considering there are two years left to build these five schools?

Hon. Dr J E Cortes: A couple of weeks perhaps, Mr Speaker – there might even be surprises next week.

ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS AND THE GSB

Q385-387/2017
Supported Employment Company; Project Search –
Applications outcomes; employees in public and private sectors

760 **Clerk:** We now move to Question 385. These are covered in the supplemental notice of questions which was circulated this afternoon.
We will start with Question 385. The Hon. L F Llamas.

765 **Hon. L F Llamas:** Mr Speaker, since January 2012, in each calendar year how many applications to become employed by the Supported Employment Company have been (a) accepted, (b) declined, or (c) remain pending a decision?

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

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): Mr Speaker, I will answer this question together with Questions 386 and 387.

775 **Clerk:** Question 386. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government state how many employees of the Supported Employment Company are currently working within the public sector or Government-owned companies and how many are working in the private sector?

780 **Clerk:** Question 387, the Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, what inroads have been made in relation to Project Search or any other supported internship model?

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

Hon. J J Bossano: Mr Speaker, there are no applications in the Supported Employment Company made, accepted, declined or remaining pending a decision since January 2012 for any calendar year, as I have previously explained in Parliament.

790 As at the end of September the Supported Employment Company had 32 employees placed in the public sector and 36 employees placed in the private sector.

I refer the hon. Member to my previous answer on Project Search. I am not sure what he means by 'inroads' in relation to Project Search, but to date, to my knowledge, there has been no further development of Project Search or other supported internship model. As initially introduced, this entails affording young people with special needs career pathways such that they feel supported and empowered to do well and progress with their lives and careers. At the moment there is a Learning Support Assistant (LSA) seconded to the Education Department. The current role is simply to identify potential school leavers with special educational needs and afford them guidance and support as they make the transition from school to full-time employment. Students are given the opportunity to participate in short-term work placements. These consist of either one full or half-day period over six weeks. The student still remains at school for the remainder of the time.

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Hon. L F Llamas: Mr Speaker, could I then just clarify, because I have heard of people who have tried to approach the Government with a view to getting employment for their children and there does not seem to be an actual official mechanism whereby you can actually put ... You do not fill out an actual application, you leave your details, but it does not seem that people are getting answers whether they can be accepted into the company as an employee or not. So it seems to me at least ... I know of two people who are wishing to seek if there is a possibility of becoming employed by SEC but are not getting anywhere, so I cannot deduce from the answer that the Hon. Minister has given me whether there are any pending decisions to be made, given that it does not seem to be a very formal process in order to get into SEC.

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Hon. J J Bossano: Mr Speaker, I know the hon. Member was not here when we started on this. The position was that initially, on the 1st February 2012, within the number of people that were on the VTS scheme some 40 were identified as persons who had learning disability problems and therefore, it was considered by the people who had been running the scheme under the previous Government, would be people who would have great difficulty in finding work in the private sector or in the public sector on a competitive basis. They were initially transferred to the Employment Training Company together with the other 200, or however many there were at that point in time, and once people started moving out of the Employment Training Company into normal jobs in the private sector, those that had been identified for us were in fact transferred to the newly created company, the Supported Employment Company, where they have got indefinite contracts, as I explained to him in my answer the last time round. To those we have added people in the last four or five years, four and a half years, on the basis that the people we monitor to send to normal employers. If we find that really there is no way that we can actually get them into the normal market, then the decision is taken that they will come in and they are given a 20-hour slot within Supported Employment and a contract. But that only happens not because they make an application and not because applications are refused, but because we actually process almost everyone that goes into the employment market unless they come in basically passing through. There are a number of people who come in to the employment service register and get out on the same day because they come with a

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contract of employment in one hand and the registration in the other. But anybody else that is there for more than 24 hours gets referred to the training programme to see if we can, either through assisting the wages or in some other form, persuade somebody in the private sector to take the candidate of the ETB in preference to a candidate from outside.

Anybody with disabilities is treated the same as anybody without disabilities in that system, and only when we come to the conclusion that it is not going to be possible to do what we think is a preferred option – that they would enjoy a normal job with a normal employer – do we then give them the offer of coming into SEC. So anybody who has not had that offer, it is because we are still trying to get them another job.

Mr Speaker: Next question.

Q388-390/2017
Government-owned companies –
Inter-company transactions

Clerk: Question 388. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, further to Question 299/2017, can the Government confirm whether it or any of its owned companies has entered into a contractual agreement with Gibraltar Capital Assets Limited to pay to it a housing allowance; and if so, which Government-owned company is liable for this payment?

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

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): Mr Speaker, I will answer the question together with Questions 389 and 390.

Clerk: Question 389. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please advise why Gibraltar Land (Holdings) Limited sold the Eastside Reclamation site to GAR Ltd, another Government-owned company, on 22nd May 2014 for £75,469,680 and how much stamp duty was paid to the Government on this transaction?

Clerk: Question 390. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if GAR Limited has been granted any loans by Gibraltar Investment (Holdings) Ltd; and if so, what amount was outstanding at 31st December 2016?

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

Hon. J J Bossano: Mr Speaker, the amount of stamp duty paid on the transaction regarding the Eastside was £2,640,082 and the transaction took place because the government decided that it should in the context of the negotiations for the developments that were then taking place.

Further to the answer to Question 299/2017, the position has not changed. The hon. Member has been told many times, and those of his colleagues who were here before him even more times, that the company cash balances are collectively pooled and managed by the Treasury following the model created by the GSD administration when they were in government.

As regards the extension of an agreement, my understanding is that the relevant company is the Residential Property Company, but this has to be understood in the context of what I have just explained to him again regarding the common pool of cash balances.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister, as ever.

To go back to Question 299 – and I have read *Hansard* from last time we discussed this in March; he said he would go away, come back and let me know, if he could – am I correct in saying that the company that has an agreement with Gibraltar Capital Assets Limited is Gibraltar Residential Property Company Limited (GRP)?

Hon. J J Bossano: That is my understanding, yes.

Hon. R M Clinton: Does the Minister have any detail as to the nature of this agreement and the term of the agreement?

Hon. J J Bossano: No, I do not have the details, but I advise the hon. Member that he need not bother to ask me, because if I had them I would not provide them.

Hon. R M Clinton: Mr Speaker, I thank the Minister, at least we have the name of a company, which is more than we had before.

If I may turn to Question 390, I believe he has given the usual stock answer of the cash pool of the companies but he has not actually answered the question whether GAR Limited has been granted any loans. Could he elaborate on that?

Hon. J J Bossano: Yes, Mr Speaker, the cash pool is accessible to everybody in the companies and therefore they either put money in the pool or take money out of the pool as and when required. He has got a written answer on loans to companies and he will see in that written answer what the explanation is.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer and I look forward to that schedule.

In terms of the sale of Eastside Reclamation to GAR Limited, could he explain what the economic rationale for that transaction was, other than it should be done?

Hon. J J Bossano: Mr Speaker, we have had a debate on this point on countless occasions. The Government takes policy decisions, which is the job that the Government has to do in dealing with situations with investors or with anybody else. Those decisions might not be the ones that the hon. Member might take if he was faced with the responsibility of taking it, but the Government takes the decision that it thinks is necessary. If the Government had to satisfy the hon. Member or justify itself to the hon. Member for every decision, in effect he would be replacing the Queen as the Head of State.

Hon. R M Clinton: Mr Speaker, I am flattered by that remark but I would never dream of substituting Her Majesty.

Surely the Minister must recognise that in incurring a stamp duty liability of £2.6 million there must be a very real economic reason for doing this – and I know there must be because I know he, as a very longstanding economist, would not accept any transaction that did not provide

some economic value. Is there anything he can share with this House as to why this put the Government in a better negotiating position?

Hon. J J Bossano: Mr Speaker, the position, as he well knows, is that it is not that the company is paying money that belongs to the state to a different party; it is a state-owned company paying to the state. The money that is paid is not in the account of the company but it is in the account of the Government. The stamp duty is being paid by a Government-owned company to the Government. There is no economic cost involved because the Government originally owned a company with £2 million and did not have in the Consolidated Fund the £2 million, and now the Government has got £2 million in the Consolidated Fund and the company does not have it in its account. So the economic effect is zero.

The reality of it is that at one stage the Government decided to make property transactions of the Government liable to stamp duty and a number of other things when they were running out of borrowing capacity. I have explained this in connection with some of the other changes that took place in the accounting systems where we have got a number of duplications of things that come in and out. For example, the fact that we have a situation where contributions from the Social Insurance, which never used to go through the Consolidated Fund, now go through the Consolidated Fund and come out of the Consolidated Fund was because before the Government altered the threshold for loans they were reaching the loan ceiling on the 80%, and instead of tackling the 80% like we have done and accepting that the 80% is in fact a limitation on the borrowing ability of the Government, which is a stranglehold because the growth of the GDP by definition will always be faster than the growth of the Government revenue ... So 80% of Government revenue will always produce a lower debt than 40% of GDP. So, for example, a number of things were done, like paying rent on property to itself, paying stamp duty on property to itself, which in effect ... doing what I have just told the hon. Member with the authorities and the agencies which previously used to get income coming in directly and now they get money coming into the Consolidated Fund. With the book that he has he will see that the book shows money coming in into an agency which was collected by the Government on behalf of the agency. The collection of the Government on behalf of the agency meant they recovered revenue higher. If the money had been collected by the agency without passing through the Government, the recovery of revenue would have been lower. Every pound that went through that system made possible another 80p worth of debt.

So that is how the system came about, which appears to him, looking at this particular transaction, as being a situation where an economic decision has been taken when in fact the decision was taken originally to make some things payable that would otherwise have been impossible to exempt from payment simply because ... and we have left the system as it was because, frankly, it is more hassle to try and change the book than to leave it as it is because the effect really is that in economic terms it is a paper exercise. It is money that goes in and goes out, but ultimately the collective wealth of the Government is in the assets in the company and the assets in the Government.

In terms of the cash pool, the cash pool which was really invented when the Government decided to have many trading companies, which did not exist in 1996; they had no employees and only had assets ... when they started trading, in effect what the Government did was to some extent create for the companies the equivalent of what has existed since time immemorial in that there is an ability to have deposits and advances in public sector entities. Therefore, all those deposits and advances only get cleared when you close the accounts on 31st March, but in between 1st April and 31st March the money can go in one direction or the other and it is used as part of the mechanism that the Treasury has for the flexibility of medium-term liabilities in one corner of the empire when there are moneys available sitting in another corner. That is really the best way that I can paint the picture, parts of which will be things perhaps that the hon. Member is not familiar with and I happen to be, just because I have been seeing the changes happening over a long period of time.

Hon. R M Clinton: Mr Speaker, I am extremely grateful for the Minister's explanation. Maybe he can correct me if I am wrong with his statement: effectively, in terms of stamp duty it is a zero sum gain in that, as he says, it is coming from the left pocket and going to the right pocket, but the stamp duty will be showing as revenue in the Consolidated Fund and a liability would technically remain with the company. Would he accept that as correct?

Hon. J J Bossano: I said that technically it is a paper exercise, that is correct; but the owner of the company is the owner of the pocket where the money is.

Q391-394/2017

Training –

Gibdock NVQ courses and certificates; Future Job Strategy cost and success rate

Clerk: Question 391. The Hon. E J Phillips.

Hon. E J Phillips: Can the Minister for Training provide details of how many trainees have completed their NVQ course with the training scheme run in partnership with Gibdock and when that training was completed?

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

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): Mr Speaker, I will answer this question together with Questions 392 to 394.

Clerk: Question 392. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government explain why the Gibdock partnership trainees have still not received their accredited certificates?

Clerk: Question 393. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state the total costs to the taxpayer of the Future Job Strategy since inception?

Clerk: Question 394. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state: (i) the total number of people who started on the Future Job Strategy; and of those people (ii) how many are currently in full-time employment?

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

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): Mr Speaker, the number of trainees who have completed their NVQ courses with the training scheme run in partnership with Gibdock by year of completion is as follows: 1999, 15; 2000, 16, 2001, 11; 2002, 10; 2003, 12; 2004, 7; 2005, 14; 2006, 13; 2007, 13; 2008, 11; 2009, 14; 2010, 15; 2011, 15; 2012, 16; 2013, 7; 2014, 6; 2015, 29; 2016, 12.

1025 Any apprentices who have not yet received their certificates have not done so because all the necessary procedures have not yet been completed.

The Government rejects the hon. Member's philosophy that providing training for employment is a cost to the taxpayer. The Government considers it an investment in creating a pool of skills which benefits the individual and potentially assists economic growth. The amount
1030 invested in providing training and related infrastructure is already known to the hon. Member opposite and was identified by the Leader of the Opposition in the 2011 election campaign as £11 million a year. Provision for an amount of this order has been made in every budget and approved by Parliament.

The expenditure in support of training for employment under the Future Job Strategy
1035 continues at this annual level and the concerns of Members opposite in the past that it would have to be increased over the years has not materialised. It is currently at the same level and is expected to continue at under £1 million a month to the financial year 2019-20.

The number of persons who have benefited from starting on Future Job Strategy training programs to April 2017 has been 2,802 and of these 1,859 obtained employment at the end of
1040 the training period.

Hon. E J Phillips: Insofar as the Future Job Strategy is concerned, I am not going to recite our views in relation to that; they are well known and I disagree with the hon. Gentleman in respect of his analysis of what we say the costs were. But it is quite clear from the figures that the Hon.
1045 Minister has deployed as of up to April 2017 – 2,802 people have engaged on the Future Job Strategy, and of those he says that 1,859 have secured full-time employment – that there is a significant number just under shy of a thousand people who have not been guaranteed a placement pursuant to the Government's commitment to guarantee everyone a job.

Hon. J J Bossano: Mr Speaker, the people who completed the training got employment; not everybody completes the scheme. Some people give up when they do NVQ Level 1, even before they finish the NVQ Level 1.

Let me remind the hon. Member that the Leader of the Opposition asked me in December of 2012 what was the percentage of the number of people who had completed and got a job, and
1055 it was 28%. He then told me that what we were doing was clearly no better than what was there before, under the GSD, because the GSD had a 28% success rate. I pointed out to the Leader of the Opposition then – and the hon. Member was not here – that the 28% in the first year was in fact because it was the first year and those people we were taking on in the training companies initially included all the people who were in the VTS, and for those people we did not have a job
1060 guarantee before they entered. Those people had to be recycled because they were placed with employers who told us at the time ... I explained it in 2012 when we took over that there were people who were saying, 'Well, look, I didn't really need somebody in my business and I haven't got a business that is big enough to take on another employee, but as far as I was concerned I was willing to take somebody into the business as long as it didn't cost me anything in order to
1065 give that person an opportunity maybe to learn some skills and go back to the unemployment list and get a job, because that was all that the Government was asking of me – but if you are telling me that if I keep him I have to then give him a job, then take him back, I do not want him.' That meant that we had to move people out. Initially we moved them into the public sector, in many areas, simply because we did not have enough places in the private, but they were all
1070 eventually found places in the private sector and when that happened, since there is a thing called a contract between the placement provider and the Training Company on the basis that after the first month of probation any further training that goes into the job is on the basis that the person has got one month, the employer has got one month, to decide whether he thinks the candidate is going to be suitable or not, then if they carry on with the trainee for five or six
1075 or seven or eight months and then they turn round at the end of the nine months and say, 'Well,

I don't want to keep him,' they have to refund the nine months. That is how the scheme has been working.

Once that scheme started taking people fresh from the unemployment list and not having to deal with the people we had in the beginning, the success rate was beginning to go up. In fact, I think at the rate that is there it is something like 62% or 63% - or something like that, I am not really sure. I have not worked out the percentage, but I know that it has been consistently over the years in between 65% and 70%, depending ... Sometimes we have got better months in terms of retaining trainees. Sometimes the trainees decide themselves to resign. There is nothing we can do about that. Sometimes people are training to do something ... For example, I can tell the hon. Member we have got some apprentices who in the middle of their apprenticeship have seen vacancies coming out in the public sector and decided to abandon the apprenticeship and go to the public sector if they can get the job, even though the job in the public sector might be one that is less skilled than the one they would get, because the scheme from the beginning has only guaranteed employment in the private sector with the person with whom we are in partnership. The partnership agreement requires the commitment that the person would be employed. In the training that I explained to him not long ago of the coach drivers for the tour operators, the agreement with the tour operators is that after we finish the training period, which we are subsidising, they take them on.

Obviously we would like to be able to achieve 100%, but I think what we have been able to achieve until now is in the 60s. In fact, when the Leader of the Opposition used to ask me the reasons why people were falling out, it was invariably either people discontinuing themselves or people having to be terminated for disciplinary reasons and it was not the fact that the employer was at fault. There have been very few employers who have defaulted, and they have had to pay and in fact they have not come back for more trainees.

Hon. E J Phillips: Does the Minister agree with me that now is the time to revisit the viability and the sustainability of the Future Job Strategy, given what can be estimated at £66 million of spending in respect of a success rate that gravitates between 60% and 65%? Would the Minister agree that now is the time to revisit the viability of that moving forward?

Hon. J J Bossano: I think that the position is that we have got declining numbers of potential candidates because the levels of unemployment are much lower. The hon. Member does not have the employment survey – it has not been tabled yet, I do not think – but he will see that the employment levels are higher, so if there are more people working and fewer people unemployed ... The throughput of people is lower now than it was at the beginning and we are in fact open to look at anything that is worth supporting in terms of the commitment that we have got.

We decided in the election of 2011 that that was the amount of money we were going to commit to doing this. That commitment has been maintained. It is the only part of the budget really that has not grown, simply because of the fact that the amount that we pay the trainees has gone up but has been compensated by the fact that there are fewer people available to become trainees. So there are fewer people in the system and even though each person gets paid more now than they were getting five years ago, the total cost is still manageable within that budget, which pays for a number of other things more than just the wages.

Certainly we are prepared to revisit the scheme in the context of anything that anybody can put to us which will result not simply in people becoming more skilled and remaining unemployed, but more skilled with a clear opportunity to take up a job because a job exists and because we know the job exists – because that is the commitment of the scheme from day one: we train for employment, we do not train to have very skilled unemployed people.

Hon. E J Reyes: Mr Speaker, may I bring the Hon. Minister back to the reply he gave in respect of Question 392. The Minister says that the trainees have still not received their

accredited certificates because the process was ongoing or something. Does he have any information to expand that further, and what is actually missing?

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Hon. J J Bossano: I think there were a small number of people who, having finished the preparation of the portfolio, the assessor who was employed left the centre and frankly had not done some of the work that required doing, and there was a period when that work was not being done until we, some time later, were able to recruit somebody who was a retired craftsman who we have been able to get trained and qualified to be an assessor and accepted by the awarding body in the UK and then has then come in and done a catch-up exercise on some of those.

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There are people, for example, in those circumstances who are already craftsmen and are already working as craftsmen but have still not had their certificates, but I do not think anything else is required of them. It is a matter for the people in the Training Centre to make sure that the paperwork is being done. We have just had somebody from City and Guilds this last week looking at the procedures that we are following and the infrastructure we have got and we have got a good report from him, and I think somebody from EAL is coming next week to do a similar exercise.

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I think the difficulty has been a lapse on the work that needed to be done in order to submit the reports to the awarding body in order to get the awarding body to send us the certificates.

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Hon. E J Reyes: It does offer some explanation, Mr Speaker, yes, because we have spoken in the past about an assessor no longer being in the Training Centre, but I thought there was a safety margin because the assessors are subject to what is called an internal verifier, of which we have continuation of that.

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The only thing that worries me, Mr Speaker, but I think I read properly into what the Minister was answering is that a fair amount of time seems to have lapsed since the trainee completed the portfolio and therefore ceased to be a trainee there. Are we in any risk of too much period of time having elapsed and then the awarding body, when it sends its ultimate ... the external verifier who comes like an overall auditor, to put it in *[inaudible]* terms ... Do we run the risk of that? If that is the case, then I urge the Minister can he please expedite the matter because it would be a pity for the individual to have had so much work put in, so much time and so much Government money thrown into a project for it all to be lost at the last minute.

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Hon. J J Bossano: I think that the risk that the hon. Member is explaining existed, from what I have been told ... I do not understand the system as well as he does, but from what I have been told action was taken in conjunction with the people in the UK and I am told that everything is in place to their satisfaction and that the people involved expect that before the end of this year anybody who is without a certificate will get one. That is what I am told.

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ADJOURNMENT

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House do now adjourn until tomorrow at 3 p.m.

The House adjourned at 4.43 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.07 p.m. – 5.19 p.m.

Gibraltar, Thursday, 22nd June 2017

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The Gibraltar Parliament

The Parliament met at 3 p.m.

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

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

SUSPENSION OF STANDING ORDERS

Standing Order 7(1) suspended to proceed with laying of reports

Clerk: Suspension of Standing Orders. The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with the laying of a report on the table.

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

PAPERS TO BE LAID

Clerk: Papers to be laid. The Hon. the Minister for Tourism, Employment, Commercial Aviation and the Port.

- 5 **Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. Gilbert Licudi):** Mr Speaker, I have the honour to lay on the table the Tourist Survey Report 2016, the Hotel Occupancy Survey 2016, the Air Traffic Survey 2016 and the Employment Survey Report 2016.

Mr Speaker: Ordered to lie.

Questions for Oral Answer

CHIEF MINISTER

Q395/2017

**Expressions of interest and tender for services required –
Difference in definition**

- 10 **Clerk:** We now move back to answers to Oral Questions and we commence with Question 395. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government explain what is the difference between expressions of interest and tender for services required?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, 'seeking expressions of interest' is an open request made to potential suppliers to submit a proposal for a proposed project or scheme to the Government. It is, in effect, a method of obtaining commercial information from the supply market on the viability of a proposed site, project or scheme.

A 'tender for services required' is an invitation to service providers to submit a fixed-price offer to the contracting authority under sealed bid to provide the detailed service sought.

Hon. L F Llamas: Mr Speaker, could the Government clarify whether there is a criteria, in terms of, a bracket for example, when services might exceed a certain amount of figure, whether they will go into expressions of interest or a tender?

Hon. Chief Minister: Mr Speaker, I think I have answered that question in the last few months and very likely in the past six months. I do not know when it was that the hon. Gentleman or one of his colleagues asked us for the threshold which required that matters go out to tender. That is a document which the Chief Secretary circulates to all Departments and he will see in *Hansard* exactly what it provides for when a tender is required under the procurement rules.

Q396/2017

Members of Parliament, public servants and families – Management of conflict of interest in awarding of contracts etc

Clerk: Question 396. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, what is the Government's policy as regards the management of potential conflicts of interest in the awarding of contracts or purchasing of services as regards the business interests of Ministers, public servants and their families?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, the policy of the Government in relation to these matters is set out in the Ministerial Code that was published on 8th September 2015. The Code has to be discussed by the Select Committee on Parliamentary Reform and approved by this House. The Chief Secretary is leading on the production of a separate code for public servants.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his answer.

I believe that press release was dated 8th September 2015 but I cannot actually find a copy of the draft code either on the parliamentary website or the Government website and I would be grateful if he could make it available, although, as he says, it still has to go before the Select Committee.

If I may ask the Chief Minister, then: given that this code effectively is still in draft, what other measures are in place at the moment?

Hon. Chief Minister: Mr Speaker, as far as I am concerned, I think there is a copy behind him and there has been since the day he was elected to the House. I do not know whether it is there or not, but that was what we agreed at the time it was published, the Code of Conduct for the Members of the Gibraltar Parliament and the Code of Conduct for Ministers. I do not know why the hon. Gentleman felt he had to ask me, but it is here, it is available and he can have a copy if he wishes.

I think all that there is in place at the moment and detailed research at the time disclosed was a note of a *Hansard* of something that had been said some time ago – I think perhaps when Mr Speaker was a Member of the House himself. It may be in the Book of Rulings, which is available in the House, which I think Speaker Alcantara compiled, which sets out the provision of what is the rule as to conflict.

Hon. R M Clinton: Mr Speaker, with your permission, we are just checking the bundle here ... No, Mr Speaker, on this side we have the Parliament Act, the Constitution, Standing Orders and Rules and a notice on the use of microphones and the rules in relation to red beacon lights. Certainly – I am happy to be corrected by Members on this side of the House – we have never been issued, either informally or formally, with copies of that code that would apply to us, let alone the ones that apply to them. But if I may ask the Chief Minister: is it in his mind that this code is actually in effect at the moment?

Hon. Chief Minister: Mr Speaker, the only thing that is in effect at the moment is the existing rule, but as far as I am concerned we have all conducted ourselves in keeping with what we think the rule should be.

Hon. R M Clinton: And, Mr Speaker, I believe he referred to some extract from *Hansard* – I would be grateful if he could make it available to us on this side of the House, or at least the reference to it, the specific reference.

Hon. Chief Minister: No, Mr Speaker. I have told him where it is; he can go and find it for himself. And as far as making available the Ministerial Code, it is available in the Parliament, it is available here, it is available on this side, it is available in there, so he can have as many copies of it as he might care to persuade the staff of the House to make available to him and he can get the copy of the rulings of Mr Speaker, which are available to all Members of the House, and search for himself the bit that deals with conflicts. I know that he is retired, but he needs to behave as somebody who is active at work and not get me to do everything for him.

Hon. R M Clinton: Well, Mr Speaker, would he at least confirm to the House that, as far as he is aware, this information is not available to the public, in that it is not available on any Government website and certainly not on the Parliament's website, and perhaps would he agree with me that it should be on Parliament's website and on the Government's website?

Hon. Chief Minister: I do not agree with him, Mr Speaker, that it is not available on the website of the Parliament. I think if he were to search carefully he might be able to find some references in *Hansard* where this has been read out, certainly in the time that I have been available. But it should be very readily available on the Government website and on the Parliament website, so that people can see what the rules are that apply to public servants, to Members of the House, all of them, and to Ministers. If people think that those are difficult to find, we must fix that as soon as possible so that people can see that they have a Government that behaves entirely in keeping with the higher standards of propriety, as everybody would expect. Those rules are not hidden away. Anybody can come here to the Parliament and seek copies of them, which is what people would have done before websites. But now that websites

are available – and I agree with the hon. Member that once something is available on a website these days it is certainly public – we should put them on the website as soon as possible.

Mr Speaker: Next question.

Q397-399 and Q411/2017

Lands Agreement 2015 –

**Fortress Headquarters; HM Naval Base warehousing; *HMS Rooke* site;
dockyard land allocated to Bassadone Motors**

Clerk: Question 397. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if Fortress Headquarters in Rosia Bay has now been released to the Government by the MoD under the Lands Agreement 2015?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo) Mr Speaker, I will answer this question with Questions 398, 399 and 411.

Clerk: Question 398. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if the block of warehousing within HM Naval Base released by the MoD under the Lands Agreement 2015 signed on 13th January 2016 has been sold by the Government; and if so, when, for what consideration, for what term of lease and to whom?

Clerk: Question 399. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, why and when is the Government proposing to demolish all the buildings on the site of *HMS Rooke* and what is the anticipated cost of doing so?

Clerk: Question 411. The Hon. M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Has the land at the dockyard allocated to Bassadone Motors been leased or sold?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo) Mr Speaker, the Rosia Bay alternative headquarters facility will be transferred once both MoD and HMGoG agree that Lands Agreements 2004, 2007 and 2011 have been implemented in full.

The block of warehousing at Mid Harbour Road in part released under the 2015 land deal with the MoD has been sold to Waterloo Holdings Ltd, a subsidiary or related entity of Bassadone Motors, in the sum of £3.6 million on 30th November 2016 on the basis of a 150-year lease.

The Government is demolishing all the buildings on the *Rooke* site in preparation for the redevelopment of that site. The demolition will enable the Government to provide the land to the developer free of existing buildings and as a brownfield site. The estimated cost of the demolition is £1 million and this would be recovered from the premium to be paid.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his response.

In respect of the warehousing in HM Naval Base, did the Government invite any expressions of interest for the sale of the land?

Hon. Chief Minister: No, Mr Speaker.

Hon. R M Clinton: Mr Speaker, given that it is usually generally accepted that it is good practice to advertise for the highest possible price for the taxpayer on this land, would the Chief Minister care to advise the House why there was no invitation for expressions of interest?

Hon. Chief Minister: Yes, Mr Speaker, I would be delighted to advise the House of why there was no invitation for expressions of interest. You see, Mr Speaker, as no doubt the hon. Members opposite know, on 12th August 2005 the Government of the GSD entered into an agreement with Toyota Gibraltar Stockholdings Limited in respect of the reclamation in the area of Western Beach. They entered into an agreement in effect to produce a 150-year lease of the area that was going to be reclaimed for £3.6 million. The area that was going to be reclaimed, approximately 62,000 square meters, was going to in effect require the Government to spend approximately £20 million reclaiming, although cleverly the GSD Government had done a deal to lease it for £3.6 million.

Mr Speaker, in the circumstances and given that it was not possible to proceed with the Western Beach reclamation because it was no longer financially viable, given that it had been presold for less than it would cost to create, we found ourselves in a position of having to find a location for Bassadone Motors, one of the top companies in Gibraltar that employs over 300 people. In the circumstances, Mr Speaker, what we were doing was transferring the obligations of the Government entered into by the GSD administration for this new site, which we were able to sell for the amount that had been agreed between the GSD Government and Bassadone Motors in 2015.

Hon. R M Clinton: Mr Speaker, I do not suppose the Chief Minister would be amenable to giving us a copy of that agreement with Toyota Gibraltar Stockholdings LTD in respect of the Western Beach reclamation?

Hon. Chief Minister: Mr Speaker, this is not a registered document, it is therefore not a public document, but I have absolutely no difficulty in letting them have it. I do not think they can publish it, but I can let them have it. I do not think it is necessarily a publishable document.

But look, it is an agreement that their Government did, that the GSD Government did in 2005, Mr Speaker. It really is quite something to see that they appear not to be aware of the things that the Government that they defend the record of did things like this, which made it really quite difficult to see how there may be any financial viability in the reclamation at Western Beach whilst it was encumbered with this obligation.

Hon. R M Clinton: I am grateful to the Chief Minister for allowing us to have a copy of the documents and we do undertake to keep it confidential.

If I may move on to the *Rooke* site, I notice that it is going to cost us £1 million to demolish and hopefully that will be recovered from the premium. Do I take it then that the developer will still be London and Regional?

Hon. Chief Minister: That is the developer we are in discussions with.

Hon. R M Clinton: And as part of my question I did ask as to a date as to when you might propose to demolish on the site.

Hon. Chief Minister: Demolition has begun, Mr Speaker.

Q400/2017
Gibraltar Capital Assets Ltd loan –
Fees to Hassans and TSN

205 **Clerk:** Question 400. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, further to Question 695/2016, asked on 28th October 2016, and given that the full list of fees paid to all advisers was not provided at the technical meeting held on 6th February 2017, can the Government advise how much in the way of fees Hassans and TSN has been or is due to be paid in respect of work undertaken in respect of the £300 million loan raised by Gibraltar Capital Assets Limited?

Clerk: Answer, the Hon. the Chief Minister.

215 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the total amount of fees paid to the firm of which the Leader of the Opposition is a partner was £428,145.65 for dealing with the whole transaction from inception, including structuring, prospectus, key documents including agreements etc; and Triay Stagnetto Neish, £125,300 for dealing with the land aspects exclusively.

220 **Hon. D A Feetham:** Mr Speaker, for the record, the Chief Minister continues to be a partner of that firm and so does Minister Licudi.

225 **Hon. Chief Minister:** Mr Speaker, I am on a sabbatical as a proud partner – *(Interjection by Hon. D A Feetham)* Mr Speaker, I think the jack-in-the-box is getting nervous. I am a proud partner of Hassans on sabbatical, Mr Speaker.

Hon. D A Feetham: He continues, Mr Speaker, to be a partner, whether on sabbatical or not, of Hassans.

230 **Mr Speaker:** No more exchanges, please, because a question is not being asked, statements are being made, and that is not the purpose of Question Time.
We go on to the next question.

Q401/2017
Property developments –
Import duty waiver

235 **Clerk:** Question 401. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, further to Question 311/2017, can the Government advise for which private property developments it has waived import duty in respect of the construction, fitting out of and equipping of said properties in the period from 11th December 2011 to 31st March 2017?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government has waived import duty in respect of construction, fitting out and equipping of one project from 11th December 2011 to 31st March 2017, namely Imperial Ocean Plaza.

Hon. R M Clinton: Mr Speaker, given this is applied only to one specific project in six years, could the Chief Minister advise why this particular project was given that particular special treatment in respect of import duty?

250 **Hon. Chief Minister:** Because that was the culmination of the negotiations between the Government and the developer of this project, which the hon. Gentleman may know is delivering much-needed public parking in the area of Glacis and all of the roads towards Ocean Village etc. – incidentally, land which was acquired from the Government by the developer.

255 **Hon. R M Clinton:** Mr Speaker, would I be correct, or could the Chief Minister correct me if I am wrong, in that this would be an exceptional case and he would not envisage it arising again?

Hon. Chief Minister: No, Mr Speaker, there are a number of instances before the past six years where there have been many other instances of full import duty waivers given. We try to resist that, but in commercial circumstances it may be that we decide to do it again in the future if we think it is in the economic interests of Gibraltar.

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Q402 and Q410/2017
Arrears of revenue; tax rebates –
Amounts

Clerk: Question 402. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise how much has been collected in respect of arrears of revenue in the financial year 2016-17, broken down by head of revenue?

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Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer together with Question 410.

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Clerk: Question 410. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, how many individuals or entities were at 31st March 2017 entitled to tax rebates, and what is the overall value of rebates due?

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Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I expect to report to the House in respect of collection of arrears of revenue in the financial year 2016-17 and tax rebates due to individuals and corporations during the course of the debate on the Second Reading of the Appropriation Bill on Monday.

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Hon. R M Clinton: Mr Speaker, as the Chief Minister knows full well, those details, that level of detail in respect of arrears is not in the Estimates Book, but I will take his word that he will give us the exact information I have asked for in respect of collection of arrears revenue broken down by head of revenue in his Budget speech. I would be most grateful if he could confirm that.

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Hon. Chief Minister: I have not given my word to do that, Mr Speaker. I have said that I will be reporting on these matters during the course of my speech. I will give them in the way that I consider is appropriate.

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Hon. D A Feetham: Well, Mr Speaker, I certainly was not prepared to take his word for it, I have to say, but nonetheless I was right not to have done so, given the answer the hon. Gentleman has just provided.

295 Mr Speaker, this was a subject of public exchanges several weeks ago, and indeed it was the subject of exchanges across the floor of this House when I asked the question in March: how much there were currently due in relation to tax rebates. The hon. Gentleman then refused to answer, not because he said, 'I am going to give you the information,' or 'because I am going to report on these matters during the Budget'; he said, 'You have not been specific with a date and therefore I am not going to give you the information – had you been specific and had you said, as you have said in the past, by a particular date, I would have provided you with the information.' And, Mr Speaker, low and behold, we come back today, I ask the question with reference to 31st March and he refuses to provide an answer to the question. Now can he explain that inconsistency in the statements that he has made to this House?

305 **Hon. Chief Minister:** There is absolutely no inconsistency, Mr Speaker. It is very simple. The year for which he is now asking is the year which I am about to report on. It is the current ... well, the just completed financial year, and in this House we debate the just completed financial year in the Appropriation debate and I will be giving the information to the House in the way that I consider is appropriate in the context of that debate, Mr Speaker – it is very, very simple.

310 He can or cannot take my word for it. My word, Mr Speaker, is not what Mr Clinton was trying to get my word to be; it is what I have said in the answer which is before the House and which I have read already. I expect to report to the House in respect of collection of arrears of revenue in the financial year 2016-17 and tax rebates due to individuals and corporations during the course of the debate on the Second Reading of the Appropriation Bill on Monday.

315 Mr Speaker, bring it on – I am very much looking forward to it.

Q403-404/2017

Public finances in Overseas Territories – CPA and UK National Audit Office

Clerk: Question 403. The Hon. R M Clinton.

320 **Hon. R M Clinton:** Mr Speaker, can the Government advise its position as regards participation in the CPA UK three-year project entitled 'UK Overseas Territories Project: Supporting the Role of Public Accounts Committees & Audit Institutions in Oversight of Public Funds'?

Clerk: Answer, the Hon. the Chief Minister.

325 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Question 404.

Clerk: Question 404. The Hon. R M Clinton.

330 **Hon. R M Clinton:** Mr Speaker, has the Government received a copy of the UK National Audit Office guide entitled 'Good Practices in Effective Oversight of Public Finances in the UK Overseas Territories'; and if so, does the Government intend to implement any of its recommendations as to best practice?

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

Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, the letter from the CPA, which encloses a draft partnership agreement about this project, is addressed to Mr Speaker and seeks your thoughts. Mr Speaker is aware of the Government's view in respect of Public Accounts Committees in the context of Gibraltar.

340 The Government has not received a copy of the guide referred to by the hon Gentleman. However, the Government understands that a draft was supplied to the Principal Auditor in his capacity as our external auditor when he attended a forum in Miami in March.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his response.

345 Mr Speaker, invariably I am going to have to tangentially make reference to correspondence that you have kindly supplied me with. The Chief Minister will be aware of a letter dated 2nd June in respect of copying you with the correspondence on the CPA programme, which I presume the Chief Minister has received and has now read.

350 **Hon. Chief Minister:** No, Mr Speaker.

Hon. R M Clinton: Mr Speaker, is the Chief Minister saying no, he did not receive any communication from Mr Speaker; or no, he has not read them?

355 **Hon. Chief Minister:** Mr Speaker, I have not got a letter of 2nd June; I have got a letter of 1st June.

Hon. R M Clinton: Mr Speaker, I apologise – obviously I have got the wrong letter in front of me. The letter of 1st June then, Mr Speaker, he acknowledges having received, although ... Right
360 I see. I have not had sight of your letter, of course, to the Chief Minister; I have had sight of your letter to the CPA.

Given that we have established the date of the letter the Chief Minister did receive as 1st June, I take it that he will have had time now to digest it and the attachments, so does he have any view on participating in the programme? Is that a yes or a no?

365 **Hon. Chief Minister:** Mr Speaker, if he means the programme that is attached to the letter of 15th May, not anything to do with the letters of June, what I see is that our Auditor has already been involved in a lot of the things that are being set out there. So, as far as the Government is concerned, we will consider with the Audit Office what other things it is that they want to
370 participate in. We have never stood in the way of them participating in anything they have considered is helpful to the way that they externally audit the Government.

Hon. R M Clinton: Mr Speaker, as the Chief Minister will be aware, the CPA programme is targeted also at Parliament itself and not just the involvement of the auditors in a jurisdiction. I
375 take it then from the Chief Minister's response that there is no interest on his side of this House in participating in any parliamentary exchanges with Westminster within this programme.

Hon. Chief Minister: Mr Speaker, I have been involved in parliamentary exchanges with Westminster since I became involved in politics and Joseph Garcia and I started lobbying the
380 Westminster Parliament and started trying to understand the mechanisms there and the mechanisms here, and I commend that to hon. Members opposite.

I see one of the things here is the training of Opposition Members in order of how to ask questions. The Government has no intention of becoming the Opposition and therefore does not intend to be trained in how to ask questions. The Government intends to continue being the
385 Government. If hon. Members think that they need training in the way that they ask questions in this House – which I genuinely believe they do, because I do not think they do a very good job, and I am talking of course about the principal Opposition, which is the one questioning me now

– they should by all means engage in that training as soon as possible because they need to start doing a damned better job than they are doing now.

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Hon. R M Clinton: Well, Mr Speaker, I will obviously try harder, since I obviously have not made any impact on the Government, according to the Chief Minister's measure.

I take it then he has no interest whatsoever in any of the other proposals suggested by the CPA, and certainly I have seen his reaction to Lord Foulkes in respect of the Public Accounts Committee. I take it he has no objection to any other Members of this Parliament participating in that programme and there is no impediment, I take it, from anyone in this House from participating or corresponding with the CPA accordingly. Would I be correct?

Hon. Chief Minister: Mr Speaker, has he read the document? (**Hon. R M Clinton:** I have.) He has. He tells me from a sedentary position that he has read the document. There is, Mr Speaker, as far as I can detect, only one aspect of this code which I think will require that hon. Members do anything, which is a visit to the UK Parliament from Members of the Gibraltar Parliament. That visit would be a delegation from Gibraltar visiting Westminster, a programme for MPs from Gibraltar in Westminster to serve as a familiarisation for Members, and the Clerk, as to the key areas of scrutiny that constitute their role. It will allow for the Chair, Members and Clerk to explore specific areas in practice and procedure with their counterparts and officials in the UK. The rest, Mr Speaker, is really for the Gibraltar Audit Office.

So, if what Mr Clinton is saying to this House is that he wants us to fund a trip for him to London to go to Westminster on a fact-finding visit to learn how to ask me questions ... Well, Mr Speaker, there is funding for CPA events. If there is budget for it, it is up to him to persuade the Leader of the CPA delegation for Gibraltar – I think it is the hon. Lady – that that is a good way of spending our money. Frankly, Mr Speaker, I think he does need to sharpen up his act. I do not think they are doing a very good job of opposition, but maybe something as easily accessible as BBC Parliament, which recently has featured a number of excellent speeches in respect of Gibraltar both at the Chamber of Commerce Annual Dinner at the United Nations, is a good place to start. Prime Minister's Question Time at 12.15 on Wednesday, department Question Time – all of that is what they are going to see, Mr Speaker.

By all means, if they think that they need training in order to subject the Government to scrutiny, how could I stand in their way? I think that a trip to London is exactly what the doctor ordered, Mr Speaker.

Hon. R M Clinton: Mr Speaker, I am grateful for the Chief Minister's comments, as usual.

I take it, then, he has also read ... Oh, no, he said he had not seen the Good Practice Guide for Overseas Territories. Would he like me to leave a copy behind the Speaker's Chair for him to peruse at his leisure?

Hon. Chief Minister: Mr Speaker, if he is referring to the 2007 document, I have got it. If it is another document, I do not have it.

Hon. R M Clinton: Mr Speaker, I will gladly provide it to him. It is dated February 2017 and is specifically in respect of Public Finance Governance in the Overseas Territories, which he may find illuminating.

Hon. Chief Minister: Mr Speaker, I do not want a copy, thank you. I am very grateful that he has offered it, but frankly there was a Chief Minister before me and one before him and one before him and one before him, all of whom felt that we were not going to be told how to do business in this House from outside of this House.

He will find, Mr Speaker, there is a lot of literature on NAO documents of that type, and indeed Foreign Office documents of that type about what it is that they intended to achieve.

They are not intended to achieve, I would advise him, the sort of objective that he might be wishing to achieve; they are intending to achieve a slightly deeper objective, which is not necessarily in the best interests of each of the Overseas Territories in question.

He might also like to know, Mr Speaker, that the forerunner of that document, the 2007 document, actually led to the suspension of a constitution in one instance and the calling of a general election in another Overseas Territory. All of those, Mr Speaker, in our view, were not exercises which assisted each of those Overseas Territories in having their people progress in the post-colonial nature of the way that we would want to see our Parliament progressing.

At the end of the day hon. Members can decide that they now think – because they did not before the 9th December 2011 – that everything that is done in Westminster must now be done in Gibraltar. I will give him the plethora of quotes from their former leader, the man they say is the greatest Gibraltarian of all time, that suggests that that is not the way for Gibraltar to be progressing.

Our position, Mr Speaker, on the public finances of Gibraltar, on the possibility of a Public Accounts Committee in Gibraltar, is well known, and I will just remind the hon. Gentleman, in case he has not understood it, that we think that a Public Accounts Committee is bad for Gibraltar, that the Commission that we set up, which was independent and included a number of people who had sat with the GSD or the AACR on the benches in this House, thought it was a bad thing for Gibraltar and that we have been consistent in that approach in Government and in Opposition. And should they, Mr Speaker, win an election, there will still not be a Public Accounts Committee in Gibraltar, because if we are the Opposition we will not agree to form part of it.

That is our position, it is our policy position, because we think that is in the best interests of Gibraltar, because we think that is how we best defend Gibraltar's public finances and how we ensure that Gibraltar's public finances are robust at the same time as they are transparent and at the same time as we are accountable. Just because it is done in one way in one Parliament does not mean it is the right way to do it here.

But we can have this argument, Mr Speaker, for the next two and a half years: they are not going to change our mind. They are not going to persuade us simply because they come up with a document that suggests that it is done that way somewhere else. We are aware of that. We have factored that into the equation. We have had a debate about that in the context of a motion that he brought in this House. Our position, I think, could not be clearer.

Hon. D A Feetham: Mr Speaker, can I start by thanking the Hon. the Chief Minister. I do not often thank him but I want to thank him. I want to thank him because the fact that he says that the Opposition is doing a bad job is a huge confidence boost to this side of the House, because I know that when he says that we are doing a bad job we must be doing a very good job indeed.

Mr Speaker, when the hon. Gentleman refers – as he has on many occasions, for support for his argument that there should not be a Public Accounts Committee – to the report of the committee that the Hon. Mr Speaker, in a different capacity of course, chaired on parliamentary reform, does he not accept that in fact there have been significant factors post that report that make a Public Accounts Committee all the more necessary? I am referring in particular to the fact that the Government, since 2013, has been using and indeed borrowing through Government-owned companies and using for the purpose of Government expenditure nearly £800 million, of which it does not account to this House, and therefore, in the light of that, a Public Accounts Committee becomes all the more necessary because it is the only way that this side of the House can in fact examine how that money in those Government-owned companies is being spent – because the Hon. the Chief Minister certainly does not answer questions on this issue from across the floor of the House.

Hon. Chief Minister: Mr Speaker, it is not me that says they are not doing a good job. *(Interjection by Hon. D A Feetham)* I think they are doing an excellent job, Mr Speaker. I want

them to continue to do the job that led them to a historic defeat in a two-horse race at the last General Election. I do not want them to change, I do not want him to go – I do not want them to change him, Mr Speaker. It is the CPA that thinks that they need training and I have said that if they think that they need training ... because I do not think they are doing a good job at Question Time, but as an Opposition they are superb. I could not have invented them myself – apart from the hon. Lady. I am talking about the official Opposition, Mr Speaker.

They have an offer from the UK Parliament to go and spend a couple of days in London: I would take it – London is the most marvellous city in the world, as far as I am concerned. But do I think that any of the things that he has referred to should lead us to a Public Accounts Committee? Mr Speaker, this demonstrates to me that the hon. Gentleman, the Leader of the Opposition, gets up to talk because he wants to hear his own voice, even though he does not have a clue what he is talking about.

First of all, I do not accept any of the amounts that he has bandied about, £800 million etc. But to get up and say, 'Because you have got £800 million in companies I must have a Public Accounts Committee and that therefore is essential' is to belie the reason why a Public Accounts Committee exists. A Public Accounts Committee exists for the House, Opposition and Government, to quiz civil servants about public expenditure, i.e. the expenditure going through the book, i.e. not the expenditure going through companies. So he has just demonstrated his complete debased understanding of what a Public Accounts Committee is by saying 'I need it to find out what is going through the Government companies.' He has just utterly and completely demonstrated to anybody who on a hot Thursday afternoon may be watching us that at every point that they have been requesting a Public Accounts Committee they do not know what they are asking for. They are saying to the public we must, in order to hold the Government to account, move from a system of pure political parliamentary scrutiny to a system of parliamentary scrutiny of the administration. That is what the PAC does. What Daniel Feetham and Roy Clinton want to do is cross examine civil servants. They want to bring heads, controlling officers, heads of department and the Financial Secretary to this House and ask them questions as if they were in court, with Ministers sitting alongside them also able to ask them questions as if they were in court, to try and grill them, to interrogate civil servants. That is what Mr Feetham and Mr Clinton want to do. That is the system that they want to bring into Gibraltar, and what we have been consistent in saying as one of the arguments that we deploy against the PAC is that we are answerable in this House and that they have to ask the questions of *us*. They may not like the answers, Mr Speaker, they are not very good at confecting the answers in most instances, but we will not accept that they should have the opportunity to grill civil servants, to cross examine them and to interrogate them as if they were in a court of law.

The politicians in this community have to stand up and put up to defend the spending that they do, as we do, Mr Speaker, as we will and, as they will have to realise, is the only way that we will accept is the right way to do politics in this community when it comes to assessing the public finances of Gibraltar.

Mr Speaker: Let me make my position clear. Hon. Members are now beginning to debate the whole question of the Public Accounts Committee. They did that last October and you can do it again next week or the week after, if you want to. But this afternoon there is not going to be any debate on the question of a Public Accounts Committee.

After that lengthy intervention from the Chief Minister I will allow another intervention either from the Hon. Roy Clinton or the Hon. the Leader of the Opposition and then we are moving on.

Hon. D A Feetham: Mr Speaker, I have a political question; my hon. Friend Mr Clinton has a technical question.

Mr Speaker: I will allow one from each of you.

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

545 I have to say that one has to admire the very clever foot shuffle, because that is what came to mind when I was hearing the hon. Gentleman give his reply to my question to the Hon. Chief Minister. He moves from 'Mr Feetham does not understand what he is talking about' to trying to turn, in one answer, the public service against the Opposition.

Mr Speaker, of course we want senior public servants to come before this House as part of a
550 Public Accounts Committee to ask them questions within their realms of responsibility – or doesn't the hon. Gentleman realise that that nearly £800 million in Government-owned companies, which no one knows how they are spending, is actually being run by the directors of those companies, who are public servants? And does he not realise as well that if he, as he has answered in this House on numerous occasions in the past, says to me, 'I am not answerable for
555 the expenditure of Government-owned companies because they have got their own directors, they are public servants,' the only way that we are going to be able to get to the bottom of how that £800 million of *the people's money* is being spent is by asking questions of the very same people that he himself has drawn our attention to: those public servants?

There is absolutely nothing, and does he not accept that there is absolutely nothing wrong
560 with that, because that is the essence and indeed happens all the time in other parliamentary democracies, including the United Kingdom, Mr Speaker?

Mr Speaker: The Hon. Roy Clinton.

565 **Hon. Chief Minister:** No, Mr Speaker, I...

Mr Speaker: Together, and then that is it.

Hon. Mr R M Clinton: Mr Speaker, I will keep my intervention brief. Would the Chief Minister
570 accept that Public Accounts Committees, certainly in the UK, have for many years now also included in their remit Government-owned and controlled companies, and so therefore it was incorrect for him to say that we on this side of the House do not know what we are talking about?

575 **Hon. Chief Minister:** Let me start at the end, Mr Speaker: no.

Mr Speaker, I have, I think, a political question and a technical question. Well, one of them did not sound very political and the other one did not sound very technical, Mr Speaker.

For 16 years, when hon. Members had a Government of the hue that they defend, there was no Public Accounts Committee in Gibraltar, Mr Speaker. (*Interjection by the Hon. D A Feetham:*
580 *Because the Hon. Joe Bossano did not want it.*) For 16 years there was no Public Accounts Committee in Gibraltar, when they were in Government.

Now, let's be very clear: he can admire me more or he can admire me less, he can be jealous of my achievements or deprecating of my achievements – and I know he is deprecating, certainly
585 at least when the cameras are rolling he is deprecating. Sometimes through gritted teeth there might be some reluctant recognition of achievement, but it does not matter, Mr Speaker. I do not live my life for his admiration, for his recognition or for his jealousy. I live my life to make this place better for my children.

So I do not accept the figure of £800 million. I think that he just conjectures these figures and then wants us to accept them. The figure that he gives is the figure that he gives. He says that
590 nobody knows what we are spending this money on, Mr Speaker, but then he goes on to say that it is all being managed by public servants, so obviously public servants know what we are spending that money on. And of course the projects in many instances which are involved with the companies are announced and the accounts of the companies are put online by the Government – in respect of Credit Finance, there will be accounts of companies which will be
595 filed, so the attempt to create a veneer of secrecy about something that is public is just useless.

But of course, that does not mean that those are the public accounts of Gibraltar in the sense that they are not the Estimates before the House. Neither does it mean – to deal with this alleged technical point, as if the hon. Member were a mechanic of finance – that Public Accounts Committees in the UK deal with Government companies and therefore I was wrong in the point I was making. Well, if there were a Public Accounts Committee in Gibraltar it could only deal with the things that the House already deals with, which means that Government companies would not be within it; so the hon. Gentleman is wrong, because he is assuming that if we were to create one we would create it in the way that *he* wants, and we would not. But we will not create one anyway.

Frankly, Mr Speaker, what they do not understand on the other side is that Gibraltar is not a nation of 60 million people, and I know why they do not understand it. They do not understand it because even when they were in Government one of their number said in answer to a question, ‘Oh, I’m not dealing with that, that is being dealt with by central Government’, as if we had a huge Government with local authorities etc. which had to be brought together by a Public Accounts Committee. That is not the reality. This is a small administration and we are answerable for the spending. They might not like the answers that they get, they might not like that Gibraltar is doing so well, they might not like the fact that we are successful, they might not like that people agree with us, but that is the reality and we are not going to interpose for ourselves as a shield between us and them, civil servants. Civil servants today, as controlling officers, spend in keeping with the Estimates Book that we are going to defend next week, and when that spending is done we come to this House to defend it. We stand up to their questioning, we provide the information, and if they do not like it they have the chance to ask many, many supplementaries. That is the way that they can drill down. And that is what they will be told, if they happen to go for the weekend off in London, that is what they will be told that they have to do: that they have to ask searching questions to which they will get detailed answers, to which they will pretend they have not had an answer to go and create the veneer of a lack of accountability and a lack of transparency which is not there because this is the most transparent and accountable Government Gibraltar has had in its history – so transparent and so accountable that we put most of the information in the public domain and they do not even bother to check it, but the public can and they know that their spending and their public finances are safe in the hands of a prudent, responsible, accountable and transparent Government of GSLP Liberal hue.

Q405/2017

**Financial Services Commission –
Licences issued since Brexit referendum**

Clerk: Question 405. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please provide a breakdown by type of licence of the 21 licences issued by the FSC since the date of the Brexit referendum to the date of the Chamber of Commerce Dinner on 26th April 2017?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, as I told those gathered at the Annual Dinner of the Society of Accountants last night – I was surprised not to see him there – I have an apology to make for having misled some of you who might have attended the recent Chamber of Commerce Annual Dinner, from which I understand this question derives. I told the Chamber then that the FSC had issued 21 new licences since 24th June last year, the date of the result of

the referendum, but when I tried to stand that figure up, I confess it was an error. In fact, 26 new financial services licences have been issued since the result of the Brexit referendum was announced. I stand delighted and corrected, Mr Speaker. Two are category 3 MIFID licences, four are for new corporates licences as company managers, six are for individuals licensed as company
645 managers, three are AIFIM licences, two are EIF director licences, one is for an EIF fund, one is for a new insurance company, another is for a new insurance intermediary company, one is for an occupational pension, two more are for MIFID branches, one is for a prospectus and two are for statutory auditors. That is the total of 26. In addition, Mr Speaker, you might also like to know that there have been two licence extensions in the insurance sector also.

650 I am sorry, Mr Speaker, to have provided such an extensive list, but I understand that there are some doubting Thomases out there. I have, I hope, nonetheless given the House a feel for some of the more important areas of business that are being licensed and the areas of business we are working on developing further.

Q406-408/2017

**Counter-terrorism and terrorism financing –
Number of trained police officers receiving**

Clerk: Question 406. The Hon. E J Phillips.

655 **Hon. E J Phillips:** Mr Speaker, can the Government state how many of our current active police officers have received training in counter-terrorism?

Clerk: Answer, the Hon. the Chief Minister.

660 **Chief Minister (Hon. F R Picardo):** I will answer with Question 407 and 408.

Clerk: Question 407. The Hon. E J Phillips.

665 **Hon. E J Phillips:** Mr Speaker, can the Government state how many of those active police officers who have received counter-terrorism training have also undertaken specific training in terrorism financing?

Clerk: Question 408. The Hon. E J Phillips.

670 **Hon. E J Phillips:** Can the Government state whether or not there is a specific branch of the Royal Gibraltar Police which is focused on counter-terrorism?

Clerk: Answer, the Hon. the Chief Minister.

675 **Chief Minister (Hon. F R Picardo):** Mr Speaker, these questions seek information about the capabilities of our law enforcement agencies in dealing with terrorism. It is not in our community's common interest for us to be publicly debating these capabilities. This is a matter on which I am happy, nonetheless, to brief the hon. Members privately, if they wish.

680 Indeed, in the opinion of the Government, Mr Speaker, it is equally foolish to advertise potential security issues such as breaches at the frontier fence. Luckily, however, when the Member opposite issued his press statement this week in respect of a breach at the frontier fence, that breach had been repaired some three weeks before.

685 When there are security issues which concern Members opposite it goes without saying that the prudent thing for them to do is to call the office of the Chief Minister and seek to speak to

me or their relevant opposite number, in this case the Minister for Justice. Perhaps if they get no joy they might then want to take further action, but to issue a statement with a photograph of a breach of the frontier fence is a nonsensical approach to an alleged security issue. It is to offer an illustration of an alleged vulnerability, an advertisement of a potential danger.

690 The Government is dealing daily with such breaches. In fact, when we were first elected in December 2011 the frontier fence to the east of the commercial gate up to Eastern Beach was a single chain-link fence. A second Heras fence line running parallel to the original frontier fence was erected six months later in June 2012 and the space between the fences was filled with razor wire coils. The project cost for that second layer of protection for Gibraltar was £110,000.
695 Mr Speaker, it was this side of the House that invested in that double filter to make accessing Gibraltar harder. So perhaps, Mr Speaker, less cheap and immature point scoring and more responsible and mature thinking from the Hon. Member opposite might better serve Gibraltar.

I note, Mr Speaker, that the Hon. Ms Hassan Nahon expressed similar sentiments in an exchange of emails to which I was copied, in which she herself picked up the irresponsibility of these questions from the Hon. Members opposite.
700

Hon. E J Phillips: Mr Speaker, dealing with a number of points raised by the Chief Minister, I have a number of questions.

The first relates to the reasons why the Chief Minister says that he cannot provide answers to those questions, albeit he is prepared to give the answers behind the Speaker's Chair. Does the
705 Chief Minister not agree with me that in countries in Europe, and particularly in the United Kingdom, where there are specific departments that deal with counter-terrorism, the information is readily available to Members of Parliament of those particular jurisdictions, and particularly in the United Kingdom, where counter-terrorism agencies provide information to,
710 for example, the Home Office by way of committee, questions are asked of Ministers as to resources? Has he not forgotten that in London of late there have been significant questions asked to Ministers in that jurisdiction regarding the resources and capability of the Metropolitan Police Force and the security services in the United Kingdom? Don't you think it is right, Chief Minister, that we should be allowed to ask questions –

715

Mr Speaker: No, you are addressing the Chair: 'Don't you think it is right, Mr Speaker ...'

Hon. E J Phillips: Don't you think it is right, Mr Speaker, that I can ask questions about the capability of our force here, so that members of the public can be reassured as to the capability,
720 capacity or otherwise of our security services in this jurisdiction? It happens everywhere else. We do not know why it cannot happen here.

Hon. Chief Minister: It is not that we cannot provide the information, Mr Speaker; it is that I have told him I am prepared to offer it to him but not across the floor of this House. Maybe he
725 had forgotten that that is what I said when I started giving the answer.

It is not that Members of Parliament in the United Kingdom have been engaged in debate as to capabilities, Mr Speaker; they have been engaged in debate as to numbers of police officers. Mr Speaker, the numbers of police officers are in the Estimates Book – he can see what the numbers are.

730 Nobody is saying that we should not debate the numbers of police officers, but drilling down to ask specific questions about capability in a place the size of Gibraltar does start to create issues. Let's be very clear. If you are talking about a place the size of the United Kingdom and you talk about the capability there – even a place the size of London, Mr Speaker – it is impossible for somebody who is observing that area to say the capability is here or there. When
735 you are talking about a place the size of Gibraltar and we start talking about specific capabilities, it is very easy to start to assess vulnerabilities. Is he saying to me that he does not consider it is

possible that debating those capabilities publicly could not expose potential vulnerabilities, and is he prepared to take the risk that he might be wrong?

740 **Hon. E J Phillips:** I believe he is asking me a question and I am not prepared to answer that question. I have asked a question not about capability; I have asked the Chief Minister, Mr Speaker, very specifically about numbers, about personnel. I have not asked about capability. He is trying to corner this debate and argument in capability. It is not the question I put to him. Will the Chief Minister answer that question? The question I put to him is about numbers, not
745 about capability, and in light of that is he prepared to answer it?

Hon. Chief Minister: Oh, it is very illustrative, Mr Speaker, that he was not prepared to answer the rhetorical question, isn't it? The minute that responsibility passes for the consequences of potential risk, the hon. Member steps back: 'It's not going to be my fault if
750 something goes wrong, let it be yours.'

Mr Speaker, he *has* asked about capability. He has asked about the numbers of police officers trained in a particular area. That is asking about capability. The debate in the United Kingdom has been about numbers of police officers; this is about numbers of police officers trained in specific skills.

755 Again, I am not saying no to him; I am saying to him 'not across the floor of this House'. If he is genuinely concerned, Mr Speaker, why hasn't he said, 'Fair enough, let me have the information not across the floor of this House'? If he is genuinely concerned, why doesn't he want to have the information? If he is genuinely concerned, why does he just want to have a tennis match about the information, a political tennis match across the floor of this House?
760 Answer, Mr Speaker: because he is not genuinely concerned.

Hon. E J Phillips: Mr Speaker, I have a number of questions in relation to these points. I am not after a tennis match with the Chief Minister on this issue. I accept his invitation to go behind the Speaker's Chair and for him to give me that information so that I can have that reassurance,
765 so that if anyone asks me in town, up and down town, about that question I can say to them the Chief Minister has reassured me these questions are nothing to worry about. I am quite happy to accept that open invitation.

I was asking very pertinent questions, innocuous questions about numbers. I have the answer from him and I am satisfied with that, and we will take the subject up behind the Speaker's
770 Chair.

One of the points that was made, obviously, by the Chief Minister was in relation to the hole in the fence, Mr Speaker, and I think the Chief Minister forgets completely what he did in 2013. He accuses me and Members on this side of the House that we have somehow neglected Gibraltar and shown the world that there is a hole in the fence to climb through – shown
775 terrorists that there is a hole to climb through the fence, Mr Speaker. Well, in 2013 he highlighted the significant danger to security. He does not even read his own press releases, Mr Speaker. How does the Chief Minister reconcile his statement in December 2013 – and I am happy to quote it to him – with what he is suggesting the Opposition is doing now?

780 **Hon. Chief Minister:** I really wish Peter Caruana was back in this House, Mr Speaker, so we had some real in-depth intellectual logic at least coming to us from the other side of the House.

I do not know whether the hon. Gentleman has detected that what I am saying he did, which was irresponsible, was publish the photograph of what he obviously thought – unless he was saying something in his press release which was known to him not to be true – was then a
785 current hole in the fence. That is what he said, Mr Speaker, and that is the photograph that he published. In other words, he said, 'Hole in fence: come into Gibraltar here.' Luckily, three weeks before, we had covered that hole in the fence. I am telling him that there is a security issue at the fence. I am not saying that talking about a security issue at the fence is against the interests

of Gibraltar. It is obvious there is a security issue at the fence. We have talked about it, we have said we are dealing with it, we have added a second layer of fence and barbed wire. What we have not done is told people where there is a hole in the fence so they can go and come in to Gibraltar through there. That is what creates the security issue for Gibraltar.

I am quite happy to have a detailed debate about this with him, but can we please have it on things that are pertinent and can we please make this a little bit more intellectually rigorous.

Hon. D A Feetham: Mr Speaker, there we go with the feet shuffling again, I have to say.

Does he not accept that there are inherent inconsistencies in the statement that the Chief Minister is making to this House and also publicly – as many inconsistencies as there are holes in the fence? He comes to this House and he says, ‘Well, the real problem was that you published a photograph of a hole in the fence, and that is a security risk for Gibraltar,’ – the same hole, it has to be said, that he says was covered three weeks ago. But does he not accept that actually there is more than one hole in the fence and that indeed only yesterday 34 people with sticks and with stones came in, not flying but through the holes in the fence, and in fact were only deterred because the RGP and our law enforcement officers had to deploy in riot gear with dogs? Does he not accept that there is a fundamental inconsistency in the statements that he is making to this House and publicly?

Hon. Chief Minister: I genuinely miss Sir Peter – genuinely, Mr Speaker.

The hon. Gentleman can try and do the Harlem shuffle and try and play the shuffle joke as many times as he likes, but this is too serious for joking. It is too serious even to see him dancing on a pin head as he is trying to do now.

There are no holes in the fence, Mr Speaker. There will be holes in the fence probably tonight. They will be covered again tomorrow. Every day there is an ongoing exercise of covering holes in the fence, not because we have fencing that can be cut – because we are seeking to implement fencing that cannot be cut, what is known as category 4 fencing – but because there is not a secure area on the Spanish side. That means that people drive their 4x4 vehicles up to the fence, attach them to the fence and pull it away, and that can happen in a moment. But on the same day that these 34 that the hon. Gentleman talks about were stopped and searched by the Police, by the way – he does know that they were not arrested but stopped and searched by the Police and the law enforcement agencies of Gibraltar, including Customs and the GDP, who do a magnificent job there and elsewhere in keeping Gibraltar safe – he does know that somebody swam in. So the holes in the fence, which today they are making the central cause célèbre that they bring to this Parliament, were not how a gentleman swam into Gibraltar to hand himself in to the Royal Gibraltar Police because he was wanted in the United Kingdom. Or are they not aware of that? Or is it that they do not go to the local beaches and see people on jet-skis go from one part of the European geography to another, something which is entirely common, proper and appropriate?

Mr Speaker, the Government deals with the issue of holes in the frontier fence every single day. Every morning we deal with the issues. Some mornings there are more, some mornings there are less, Mr Speaker. Maybe the next thing that will happen is that he will get up and he will say, ‘I will build a wall and I will get Spain to pay for it’! It is politics which has proved dramatically successful somewhere else. He might want to take a leaf out of that book. I know that he tweets that people who do not appear to be doing well in polls then do remarkably better than people expect, but let it be that he decides that his policy after he leaves here today is to build a wall and get Spain to pay for it.

We have a serious security issue which we deal with every single day. We never deal with it by publishing photographs of the hole in the fence, because if the Hon. Mr Phillips published the photograph thinking, as his press release discloses, that it was still there and it needed to be dealt with and the next thing he knew, 34 people had come in through a hole in the fence, was he at least thinking, ‘Oh, my goodness, did they gain access to Gibraltar through Phillips’ gap or

Phillips' gate? Was it that they found where I had said the hole was and that was the warren that they used to get into Gibraltar?' He should at least have had that concern, given that he had published a photograph thinking there was a current hole in the fence.

845 We can have this political debate until the cows come home, Mr Speaker, but Gibraltar has a security issue there that the Government deals with every day, and getting up and accusing me of dancing, of doing the waltz or doing the shuffle, does not help, and publishing photographs of holes in the fence which they say make Gibraltar vulnerable, thinking the holes are still there, is just damned right *irresponsible*. The most irresponsible action that a politician could take is to think he has identified a vulnerability and to publish it so that it might be exploited. That is
850 absolutely disgraceful, Mr Speaker. It is one thing to recognise that there is a security issue and it is quite another to publish where it is and to invite illegal access to Gibraltar through that particular advertised hole that he thought was there. Disgraceful, Mr Speaker!

Mr Speaker: Before I allow another supplementary, I want to make it clear that we have here
855 three questions on the Order Paper, all dealing with the question of counter-terrorism, which is loosely connected, I suppose, with holes in the fence –

Hon. D A Feetham: No, he raised the hole in the fence.

860 **Mr Speaker:** But it is now. The Chief Minister chose to widen the whole aspect of the matter by dealing with the question of the holes in the fence, and therefore I have been patient and liberal in allowing a number of exchanges on that matter. But that is not the subject of the three questions, and the three questions the Chief Minister has given an indication that he is prepared to give the information necessary. There is not much room behind my Chair, but I suppose it will
865 be in No. 6, or somewhere else. But that is it. I do not think that the hon. Member should continue to flog any further the issue of the holes. I heard today on GBC a very detailed report and news item on the matter, and now the hon. Members are transposing it from GBC here to Parliament.

870 Since the Chief Minister has been the last Member to rise, I am prepared to allow one other intervention from hon. Members of the Opposition. If it is a question I will allow an answer from the Government and that is it – we leave the holes behind and hope that somebody takes care of them.

Hon. E J Phillips: Mr Speaker, there is one question relating to certain allegations that the
875 Hon. the Chief Minister has thrown across the floor in relation to how disgraceful the conduct of the Opposition is in identifying a hole and somehow creating a danger for those that wish to harm this community, but it is completely inaccurate.

The Chief Minister, with the greatest of respect to him, in 2013 told the world that there was a danger in the frontier fence, which had holes in it. I will read it to him:

We are continuing to extend the powers available to HM Customs and Royal Gibraltar Police officers in dealing with illicit tobacco activity and investing in repairing those parts of the frontier fence which have been damaged by those involved in this trade. Last year Government spent £129,513.96 on repairs to the frontier fence and erecting new fencing which is harder to damage. The work we commissioned had not been done for years, but now requires further action to protect not just against this illicit trade in tobacco and the danger to our hard working law enforcement officials arising from it, but also the security danger posed by potential unauthorised access to Gibraltar through holes in the frontier.

880 It is the Chief Minister who puts to the wide world the security danger of the fence, not this side of the House, Mr Speaker. And what has he done in three years to deal with the question of the frontier fence: spent £130,000 and the fence is falling apart. Does my hon. Friend agree with me?

885 **Hon. D A Feetham:** Hear, hear. *(Banging on desks)*

Hon. Chief Minister: Mr Speaker, I really do not know how to start.

The hon. Gentleman, I am very grateful, has read a press release of 2013 where it illustrates a danger that I have confirmed is the case. I have gone into detail about that danger, Mr Speaker.
890 Doesn't he understand that what he did was not talk about the danger – he issued a press release with a photograph of where he thought there was a current actual hole in the fence. There are no holes in the fence today. Every morning they are dealt with. There are holes in the fence at night, which are made by people who seek to access Gibraltar illegally. The Royal Gibraltar Police and the Customs and GDP sometimes also deploy to stop people getting access
895 to Gibraltar illegally. The operation is not just there; it is in different areas to prevent the access to Gibraltar of people who come in not through the recognised entry points.

There is a danger, however, Mr Speaker, that with a fence we are not able to do much. If we built the best fence in the world ... I have just told him, Mr Speaker, if you attach the best fence in the world to the bumper of a 4x4, because there is not a secure area on the Spanish side, you
900 can pull the fence down. That is the challenge we are dealing with. Am I disclosing something, Mr Speaker? Well, those who attach the 4x4s to the fence and pull it off already know. But those who did not know that that hole existed in the fence had its existence, as he thought that it was, advertised to them by him. So he thought, 'Ha, ha! I'm going to embarrass the Government. I have a photograph of a hole in the fence – I'm going to publish the hole in the fence so that the
905 Government is embarrassed.' Embarrassed was he when he was told that three weeks before that hole in the fence had been fixed; but he published it thinking it was there, advertising it to anyone who that day felt that they should come into Gibraltar and did not have the cutters available. That is what he did, Mr Speaker. That is what I am saying is disgraceful. He created, thinking it was there, a manual for the illegal access into Gibraltar for anyone who cared to read
910 GSD press releases. Luckily, I do not think many people do.

Hon. Ms M D Hassan Nahon: Mr Speaker, can I, please? The Hon. the Chief Minister was just reflecting that I did raise my concerns about these questions to be raised, and I obviously wholeheartedly agree that it is a security risk to discuss these sensitive matters in Parliament. I
915 have to say that I am absolutely flabbergasted that two long-established lawyers here – (**Hon. D A Feetham:** Is there a question there?) Yes, there is a question if you wait, thank you very much. (**Chief Minister:** We always have to wait for you.)

Hon. Ms M D Hassan Nahon: We always have to wait about half an hour to listen to the
920 question mark.

Mr Speaker: Order! Order!

Hon. Ms M D Hassan Nahon: Mr Speaker, I am flabbergasted that two lawyers from Gibraltar
925 here do not understand the danger of discussing security details in a Parliament in a community of 30,000 people in today's world, the way things are. I, as a mother, am worried sick every single day and that is why I was worried sick when I saw the questions, because releasing our vulnerabilities in a small community like Gibraltar cannot be anything but dangerous.

So what I want to ask is, for those of us who genuinely care and want to discuss security in a prudent manner, is the Chief Minister willing to provide us with a forum where we can properly
930 and privately discuss these matters and get an update on risks and threats moving forward, please?

Hon. Chief Minister: Mr Speaker, the hon. Lady is reflecting the thing I said when I started,
935 that I was happy to meet behind the Speaker's Chair, which, as the Speaker has rightly said, would be in my office. But I think that she is wrong not also to reflect that very often she has

raised things with me directly and had the opportunity to have my thinking and the thinking of others with responsibility in this area in relation to any particular issue that has concerned her. And I think that is absolutely the right way to proceed.

940 I have on a number of occasions proposed something like the Privy Council, called the Gibraltar Consultative Council, that would be progressing in the United Kingdom where leaders of the opposition and members of the opposition are brought into Privy Council national security briefings on the basis of swearing an oath of non-disclosure. We have had the debate about oaths of non-disclosure in this House already. There are some people in this House apparently
945 who think the Privy Council is just about letters before your name, nonsensically – but never mind.

So, yes, Mr Speaker, I am prepared, as with the hon. Gentleman who I have made the offer to, to extend to her the opportunity to discuss these issues and to brief her in respect of any issues that concern her, not in this House. I commend her, Mr Speaker, for never having raised
950 these issues in public, for never having printed photographs of things that she has considered vulnerabilities that others might be able to exploit and for taking quite the most mature attitude to this debate that I have seen from that side of the House this afternoon.

Mr Speaker: Let us now move on to the next item on the Agenda.
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Hon. D A Feetham: [inaudible]

Clerk: Question 409. The Hon. D A Feetham.

960 **Hon. Ms M D Hassan Nahon:** You are the most toxic person and you are the common denominator of the whole opposition, rather than one by one.

Q409/2017

Public service employees with criminal convictions – Government policy

Clerk: Question 409. The Hon. D A Feetham.

965 **Hon. D A Feetham:** Mr Speaker, what is the policy in relation to the employment of individuals within the public service, including the GDC, Government-owned companies, authorities and agencies, who have been convicted of criminal offences?

Clerk: Answer, the Hon. the Chief Minister.

970 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the hon. Gentleman really should pick on me and not on anybody else. I am delighted to take him on.

Mr Speaker: Next question.

975 **Hon. Chief Minister:** Mr Speaker, Her Majesty's Government of Gibraltar has a legal obligation to vet all applicants and to consider any convictions disclosed by the applicant or the relevant vetting scheme in line with the provisions and guidelines under paragraph 25, of the 'Rehabilitation of Offenders', of the Criminal Procedure and Evidence Act 2011.

980 Through these guidelines Her Majesty's Government of Gibraltar makes provisions to protect those applicants who have committed a crime in the past, but who have reformed their ways, from being marked forever with the tag of 'criminal' – something I thought there was a large

measure of agreement on across the floor of this House, Mr Speaker. Therefore, after a period of time, as specified under Schedule 11 of the Act, these convictions will be spent, meaning that they cannot, under normal circumstances, be referred to in the future and there is no need for a person convicted to reveal the conviction when applying for a job or for it to be taken into account when the person has been vetted for employment.

However, there are some exceptions to regarding convictions as being spent for some professions, posts and appointments. In these circumstances prospective applicants are obliged to reveal any spent convictions so that HMGoG may be aware of them, and so that they may be taken into account only if relevant.

Furthermore, the law recognises the needs of employers to consider the background of individuals in order to ensure that vulnerable groups, such as children or vulnerable adults, are protected. Therefore, in line with Schedule 12 of the Act, a number of offices and employments are exempt from the rehabilitation periods and, due to the sensitive nature of the work entailed, any previous convictions an applicant may have are not considered as spent.

Hon. D A Feetham: Mr Speaker, I thank the Hon. the Chief Minister for the answer.

I had the pleasure of moving the Criminal Procedure and Evidence Act in 2011 that dealt with the provisions that the Hon. the Chief Minister has just referred to in relation to rehabilitation of offenders.

My question is more focused on situations where people have not been rehabilitated. Could the Hon. the Chief Minister provide me with some information in relation to that: where you have somebody who is not rehabilitated, what is the general Government policy in relation to offering employment to that person with that unspent conviction, if there is one?

Hon. Chief Minister: Mr Speaker, there may be some instances where individuals offend whilst they are in the employment of the Government, and the Government, depending on the nature of the offence, may work with the individual to deal with matters – which, for example, might relate to addiction – or may find that it has no alternative but to dismiss the individual if matters relate to dishonesty, for example.

Then there are situations where individuals are in the job market and the Government opens a vacancy in one of the Government companies, the GDC, the authorities or the agencies. That is a competitive process, and in the context of somebody who has a conviction, given the number of applications we tend to get when we go out for vacancies to the public, it would be unusual to see somebody who has a conviction being the successful individual, but depending on the conviction it is not impossible that somebody might be employed given the criteria provided for the employment and what it is that their conviction relates to.

We are talking in such wide parameters, Mr Speaker, it is almost impossible to zero in on an issue.

Hon. D A Feetham: So, Mr Speaker, the position really, as I understand it, is that the Government and the public service remain flexible in relation to this issue and will look at all the circumstances of the case, including the gravity of the conviction and also the relevance of any conviction to the employment, before making a decision, and that there is no complete bar on the employment of an individual with a criminal conviction. That is the question.

May I also in this regard thank ... I said to the Hon. Minister Costa that I would thank him across the floor of this House. He is not here to hear my gratitude expressed to him, but the reason why this question arises and the reason for my thanks to Minister Costa – and I posed this question in March of this year, so it is quite a long time ago – is that we had an incident with three nurses who had been recruited, and then three weeks into their employment they found that each one had a criminal conviction and each one was then essentially dismissed. I raised the matter with Minister Costa and Minister Costa looked at each individual case, and I know that at least one of those nurses has now been reinstated and I am extremely grateful to him yet again

1035 for listening to concerns that I have raised with him. But the question was posed so that I could understand and I could then advise – because it is not the first time that this issue has arisen – advise constituents in relation to what is the position of the Government on this.

1040 **Hon. Chief Minister:** Mr Speaker, I am very grateful that he is grateful to Minister Costa. The same three nurses came to see me and I think I dealt with the one who was able to take employment, because you see the one thing that is not set out in the question that the hon. Gentleman has put and the way he has developed it, is what type of offence we are dealing with. If you are dealing with somebody who, as a juvenile, is involved in a harassment or a fight with somebody and is in their early 20s and has not got into trouble again, although the thing might not have been spent in keeping with the rules, then frankly the reason for a particular agency like the Care Agency or the Health Authority etc. to have a rule on convictions which really relates to having people in a secure area with drugs, does not engage; whilst if you have got others who have been involved in more serious offences which are more recent, then it does engage. So I will take the thanks on behalf of the Government, Mr Speaker. I do not require him to thank me. It is quite enough that the lady in question was delighted that we had been able to resolve their problems.

1050 Mr Speaker, the question posed is too wide. When you are dealing with one particular type of conviction it may be possible to accept somebody into employment, and when you are dealing with another it might not be. So I think we need to understand that this is a question of degree, that there is a risk assessment done in the context of each particular post of employment, and that issues are not black and white. We would be fighting against a black and white rule that said a conviction completely excludes you from the possibility of having a job. We would think that that is not appropriate. There have to be degrees of understanding. There has to be something more nuanced than just black or white. I have got convictions for parking my car in the wrong place, Mr Speaker, and I have put my hands up to them on occasions and paid the £25 fine – although these days I tend not to drive myself to most places. But one is a conviction as much as the conviction of murder, so that is why these things are not black and white or set in stone.

1065 **Hon. D A Feetham:** Yes, Mr Speaker, I agree that they are not black and white, but there is a need for a little bit of clarity and guidance, I think, to the individuals within the public service that are making these decisions. In the example that I have given, and I am not going to go into specifics of the convictions that we are concerned with, but one of the people that was not reinstated had a more minor – and, Mr Speaker, I hope the House takes my word for that, bearing in mind that I am a lawyer, but anyway, it is my view ... a more minor conviction than the person who was reinstated. I know that Minister Costa is in fact dealing with this, but the fact that we are in a situation where one has been reinstated, two have not, one of them, in my view a lesser conviction, still has not, I think does show that perhaps it is something that the Government ought to look at in the provision of some guidance in relation to this.

1075 **Hon. Chief Minister:** Mr Speaker, I think I have set out very clearly what the position of the Government is. What the position of the public sector will be when dealing with these issues, whether an offence is serious or less serious, whether the conviction is for the commission of an offence at the top of the scale or at the bottom of the scale, is a matter of degree. A black and white rule would be unfair both in respect of those who have committed offences that are deemed to be more minor and in respect of those who might have been criminals who are convicted of a very serious level of crime in respect of what might otherwise be seen as a minor offence.

1085 So I think it is right that this should no longer be simply an issue that is black and white. That is where all of the thinking has been; that is what the rehabilitation of offenders provision is all about. And, Mr Speaker, given that the hon. Gentleman spends most of his time telling us to

employ fewer people in the public sector, I am surprised he is trying to pursue this line of questioning at this time, but hope springs eternal.

1090

Questions for Written Answer

Clerk: Answers to Written Questions. The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to table the answers to Written Questions W40/2017 to W115/2017 inclusive.

1095

Mr Speaker: Ordered to lie.

Order of the Day

SUSPENSION OF STANDING ORDERS

Standing Order 19 suspended to proceed with Government motions

Clerk: Order of the Day, Government Motions. The Hon. the Chief Minister.

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

I beg to move under Standing Order 59 to proceed with the suspension of Standing Order 19 in order to proceed with Government Motions.

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

GOVERNMENT MOTIONS

Freedom of the City of Gibraltar – Mr Christian Hook

Clerk: The Hon. the Chief Minister.

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

THIS HOUSE:

RECOGNISES the outstanding achievements by Christian Hook in the world of the arts, where his skill and dedication have made him a recognized master in his profession and he can count

on his works being in the most important private collections and notable museums and galleries;

CONGRATULATES Christian Hook most notably for the extraordinary accolade of having work displayed in the permanent collections of the Scottish National Gallery, the Museum of Liverpool and the Bolton Museum, and for being the first ever Gibraltarian to have his work exhibited in the National Portrait Gallery in London, thereby making him a major international artistic presence particularly in the UK;

NOTES his work has been selected to appear in the book 100 Masterpieces from the National Galleries of Scotland;

RECALLS him winning the Sky Arts Portrait Artist of the Year, the extraordinary successes that have followed and that his longstanding popularity in Gibraltar has been extended beyond our borders and that his work is in great demand internationally;

TAKES NOTE that at every opportunity he refers to himself as a Gibraltarian artist and by his heritage always being at the forefront thereby promotes Gibraltar;

COMMENDS him for, in addition to his artistic achievements, dedicating his time to charitable and community acts despite his overwhelmingly busy schedule;

CONSIDERS that Gibraltar should rightly be proud of these remarkable achievements; and

HEREBY DECLARES that the Freedom of the City of Gibraltar be conferred on Christian Hook in view of his magnificent accomplishments and successes in the arts.

1100 Mr Speaker, I am delighted to bring this motion. There is no doubt that Christian Hook is a great Gibraltarian talent and a talent that has become internationally recognised in a short period of time.

He is, of course, someone who needs no introduction. As Gibraltarians we have all known of Christian's talents for many years. I certainly have, Mr Speaker, having been at school with Christian when his skill was already apparent to us who sat next to him at art at an early age. His accomplishments and level of acclaim have reached new heights in the last few years and these are indeed remarkable.

1105 Having known Christian since childhood, I am therefore, of course, a follower of his work. His style is original, his paintings are rooted in tradition and yet have freshness and vitality – and aren't I pleased that I bought one of them before he won Sky Arts Artist of the Year, Mr Speaker! He describes his style as constructing paintings and deconstructing them and he has a fascination with the broken image. His originality is in the way that he captures motion and light in his paintings and he certainly has a very unique way of painting. You cannot but help admire his work.

1110 The most notable of his achievements must be that of his works displayed in the permanent collections of not one but three important museums in the United Kingdom: a portrait of actress Sue Johnson is displayed at the Museum of Liverpool and forms part of its collection; his portrait of Amir Khan is at the Bolton Museum; and the portrait of actor Alan Cumming is displayed at the Scottish National Portrait Gallery. This tremendous accomplishment clearly makes him a major artistic presence and his portrait of Alan Cumming has in fact been deemed to be one of the 100 greatest masterpieces in Scotland's National Galleries. The decision was made by the Director General of Scotland's National Galleries in his book, in which 100,000 works were considered and Christian's managed to make it into the last 100, featured alongside artists such as Vincent van Gogh, Pablo Picasso and Diego Velázquez.

1120 Christian has been extremely dedicated to his work throughout his career. He studied illustration at Middlesex University, London, before initially establishing a career as an illustrator at the Royal College of Art, and he has undertaken many notable works in the UK before returning to Gibraltar to work as a teacher. That changed in around 2014 when he was named Sky Arts Portrait Artist of the Year and the rest of the UK came to know what we all in Gibraltar already knew, that his talent is remarkable and unique.

1130

Since the Sky Arts programme, Christian has truly been catapulted internationally. Not many people can say that they can count on their works being in the most important private collections, museums and galleries. His work is even included in the collection of His Royal Highness, Prince Edward. He has had several exhibitions at the Clarendon Gallery in London, painting many high-profile figures including the Duchess of York, Sarah Ferguson, and he has had a documentary programme for Sky. He published two books last year and also painted the Maharaja of Jodhpur. Recently he featured in the *Financial Times* Smart Arts Supplement – in fact, Mr Speaker, on the front page.

This weekend his original works will be displayed for a limited period on board the *Queen Victoria* cruise ship when it leaves from the Port of Gibraltar on Sunday. As an artist he is clearly in very high demand, but notwithstanding his status and extremely busy schedule Christian never forgets Gibraltar and that he is from the Rock. That is one of the things that makes Christian different from so many and a true Gibraltarian. Early last year Christian was involved in assisting the service users at St Bernadette's Resource Centre by preparing art work for an exhibition that would take place locally and in Milan. Later in the year he spoke at our Gibunco Gibraltar Literary Festival, and earlier this year he spoke at the University of Gibraltar's Beacon series of lectures. Not only does he dedicate his time to supporting Gibraltar events and is associated with local causes, but at every opportunity he always declares himself a proud Gibraltarian.

Mr Speaker, it is only right and proper that we recognise Christian's efforts, his professional attainment and achievements. It is important that accomplished Gibraltarians are recognised and it is right and proper that someone who has reached this level of professional attainment and international acclaim and who so faithfully represents Gibraltar at all times be acknowledged in this most unique and honoured manner. I therefore, Mr Speaker, commend the motion to the House. (*Banging on desks*)

Mr Speaker: I now put the question in the terms of the motion moved by the Hon. Chief Minister.

The Hon. Edwin Reyes.

Hon. E J Reyes: Thank you, Mr Speaker.

Can I start off by thanking the Leader of the Opposition for giving me this opportunity to reply. It is a motion presented by the Chief Minister and the unwritten rule would normally have seen the Leader of the Opposition reply, but given that I am, from this side of the House, the one who has known Christian for the longest, I volunteered to come up with some words and express a bit more intimacy with this extraordinary Gibraltarian, as the Chief Minister has very kindly tried to explain his relatively short life so far in such a comprehensive but yet succinct manner.

I remember Christian as a very, very young lad. He grew up in Varyl Begg Estate, their family of course being relatively close neighbours of mine, and we had this [inaudible] and I concur with the Chief Minister, who recalls him from his school days: from an extremely young age he had that special talent, that gift that us non-artistic persons can only feel but envious about, and I am really glad to see that Christian put that to use to make a career out of it, because after his study at Middlesex University in London – I think the Chief Minister highlighted that – he actually started, like everyone does in life, doing things that at first seem a bit menial and so on. But certainly not for Christian, because he was an illustrator for Disney – that is not known by many people – and for *Reader's Digest*, certainly a booklet that has become very popular for many families. And of course he got involved with English Heritage and the National Trust, among many other publishers, so he has always been there waiting for that big break to come. And before that big break came, he threw his hand at lecturing and illustration in the Royal College of Art, and luckily for Gibraltar he returned and our students had the benefit of having him as an art teacher. So the ladies were really lucky at Westside School, in that they were taught by

someone who will go down not only in local history but in the international history books as being an artist very worthy of his works, to be compared with the likes of people like those who were, according to Christian, influences in his development of art. Cézanne gave him a great interest because Christian was always following a motto that said we are always on the move, if not physically at least mentally. And therefore Christian spent time studying others. Lucien Freud, for example, came to be someone who influenced him and he has developed that specific style that luckily some in Gibraltar ...

I am glad to be on the same wavelength as the Chief Minister. He and I are both lucky enough to own a personal painting done by Christian before he got that fame, the prices of which I do not think either the Chief Minister or I nowadays could afford because they are certainly going into six-figure sums. Someone who can exhibit and within hours have his works of art sold in Mayfair is certainly worthy of at least ... I am always willing to take my hat off to him. But I am really grateful, Christian, that you came to that deal with my wife many years ago somehow or other. It was all above board, but she liked what you were drafting and I hope that my granddaughter so far ... If we have any further grandchildren we will have to cut it in pieces, this lovely portrait that my wife commissioned Christian to do of me. I am really proud and will now put a little sticker below it saying, 'Honorary Freeman of the City of Gibraltar'.

Christian will follow in the footsteps of Gustavo Bacarissas, our first recipient of the Freedom of the City of Gibraltar. I am going to drop a hint that the Mayor may wish to take up in future. If we go to the City Hall today, in the Mayor's Parlour there is this lovely Gibraltar scene done by Gustavo Bacarissas, so maybe one day – since Christian will also join that roll of Freeman of the City of Gibraltar – we can have something by Christian Hook alongside it. I know Gustavo's painting was done on the occasion of the visit by Her Majesty the Queen, but I do not think anyone on either side of this House would have any objections if the Queen decides to come along and then we will get Christian to do yet another painting that can also be exhibited there at the City Hall and enhance that beautiful Mayor's Parlour.

Yes, it is true that – the Chief Minister already pointed out – Christian has had successes. His Royal Highness Prince Edward already owns paintings done by Christian, and of course the subject of Alan Cumming was what gave him that extra break that perhaps he needed by winning the Sky Arts Competition. But certainly a worthwhile investment, for those who like the world of books, is getting Sir John Leighton's book with a hundred masterpieces, in which a hundred were selected from, I am told, well over 100,000 pieces of work. So that is quite an achievement and we, as Gibraltarians, feel extremely proud that Christian has made it into it, that Christian at no time shies away from being a son of Gibraltar, that Christian will continue for many years to come, hopefully, putting Gibraltar onto the map and will attract a new interest in the arts by all the youngsters we have.

I have always been a supporter, whether I hold a portfolio or just a shadow portfolio in the arts, but certainly Steven Linares and I have shared many interesting times watching the potential of our youngsters – and perhaps, Steven, within our own lifetime will have a second Christian Hook coming up and producing good work.

So, with those thoughts, Mr Speaker, we on this side of the House – and I hope the hon. Lady would also join us – we are more than grateful for the motion put forward and extremely happy to support granting the Freedom of the City to Christian and wishing him all the best for the future. *(Banging on desks)*

Mr Speaker: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, it is with great pride that I rise to endorse such a prestigious accolade like the Freedom of the City for the modern master in our midst, Christian Hook.

As someone with a degree in the history of art, I feel qualified to validate this gifted artist in this distinguished Chamber by saying a few words about his art. We are all now aware and

1235 familiar with Christian's achievement as a Gibraltarian, but I would also like to offer an insight into his credentials as an artist.

For those of us who have appreciated or looked into Hook's work, we will note his diverse talent in his compositions. On a technical level Hook's focus is on defragmentation and it is very intense, especially when you appreciate how he manages to, at the same time, retain the likeness and empathy with the object or the sitter while keeping, at the same time, his work relevant and modern and always seeking to capture time and movement. This balance, Mr Speaker, can only be achieved by a true virtuoso.

1245 So in retrospect, Mr Speaker, it is of no surprise that in 2014 Christian Hook rose to fame in the Sky Arts *Portrait Artist of the Year* programme. This young and promising Westside School art teacher, who had taken some time off to focus on his craft and suddenly wowed the international art world and media, saw his life change in a flash as Gibraltarians beamed with pride at yet another gifted member of our community punching above his weight, painting A-list celebrities like Sarah Ferguson, Amir Khan and Alan Cumming, the latter portrait now sitting in the Scottish National Gallery and only a couple of weeks ago defined as one of the 100 great masterpieces of Scotland.

1250 Sitting alongside the greats of Gibraltar, like Gustavo Bacarisas and Jacobo Azagury, Hook is not just with these great men but is also today compared to Picasso and other world-celebrated artists, and therefore there is no doubt or question as to the merit of Christian Hook's Freedom of the City Award. So for my part, Mr Speaker, I commend this motion to the House and congratulate Christian Hook and his family on this wonderful accolade. (*Banging on desks*)

Mr Speaker: The Hon. Samantha Sacramento.

1260 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, it gives me great pleasure to support this motion as a friend of Christian Hook and for longer as a fan of his work. I do not, unfortunately, own a work of his – (*Interjections*) Not yet, Mr Speaker.

But I want to speak from the point of view of having been a fan of Christian for so long and seeing how his style has developed into such a unique style. I remember, when I was about 12 or 13 years old, walking into a picture gallery and being struck by a portrait that was there for framing, looking at it and just being absolutely astounded, looking at the outstanding quality of the likeness of the person who was sitting. I thought, 'Goodness, who has painted that?' and the person in the gallery said it was Christian Hook. We are talking about almost 30 years ago, Mr Speaker, so even then Christian Hook's talent stood out from so many.

1270 I think, just like every other Gibraltarian, we have been following Christian's progress, and back in December 2014 I remember watching the final of the Sky Arts *Portrait Artist of the Year* and thinking, 'Well, wouldn't it be great if Christian Hook won,' and we all know how that ended. I am so grateful that it did end like that, because that was pretty much his platform internationally. As the Chief Minister said, we have all known about Christian Hook's outstanding talent, but really it has been in great measure due to the Sky Arts Portrait Artist programme that he has been able to promote himself. The hon. Members here have all listed the celebrities and high-profile people he has already painted, and I am sure that he has quite a waiting list of people who have commissioned portraits from him.

1280 But, Mr Speaker, quite apart from the obvious talent and the quality of the work that he does, he is such a lovely and humble gentleman. He very kindly invited me to the opening of his exhibition at the Clarendon last October. I felt so overwhelmingly proud, as a Gibraltarian, to be walking into the gallery at this exhibition by a Gibraltarian. It was absolutely buzzing and full of people and it was so wonderful to see him, his family and his friends there among the clients of the gallery.

1285 He was extremely busy that week and a couple of months earlier I had asked him if he would be so kind as to speak at our Literary Festival, and he did so, Mr Speaker, and that was a few days after the exhibition. The venue that we chose was the biggest venue that we had for the

Literary Festival and it was completely sold out. He told us about his professional journey in the arts and it was so fascinating to learn that throughout his university life his professors, who demanded such a high standard from him, continuously told him that the way that he was working was wrong. He tried different styles and he was told that they were wrong, but he persevered and he continued to persevere – in the wrong way, he was told. I think, Mr Speaker, that is a lesson to us all: that we cannot fit in other people's boxes and it is important that we have our own styles and develop our own flare, because if the way that Mr Hook does things is wrong, then I think we really need to take a leaf out of his book.

Not only that, I would also like to commend and thank him for other things that he has done in the community. Last year, when I had the responsibility for Social Services, we were invited for some service users from St Bernadette's Resource Centre to paint some paintings to be exhibited at a gallery in Milan. I asked him if he would collaborate with our service users to give them that additional level of importance, and this gentleman who is extremely busy – busy with his work, busy travelling all over the world, busy painting portraits of celebrities – took time out of his incredibly busy schedule to spend time with people from St Bernadette's, learning how they were and what they like and what styles they like in art, and helping us produce a collaborative piece which we then exhibited here and in Milan.

I think everybody has been following Christian Hook and everybody is familiar with his unique and outstanding style, but I wanted to make the point of how Christian also goes out of his way to help community groups and to help local groups. Not many people who make it outside of Gibraltar remember their roots and even acknowledge that they are from Gibraltar, but Christian Hook does both and I think that really speaks volumes, Mr Speaker, and on the basis of all those extraordinary accomplishments, of course I support this motion. *(Banging on desks)*

Mr Speaker: The Hon. Albert Isola.

Minister for Commerce (Hon. A J Isola): Mr Speaker, unlike many of the speakers this afternoon, especially the last speaker, I do not know Christian Hook particularly well; I have the misfortune of knowing his brother better than I do Christian.

What is striking about Christian is that the stage of the success that he has achieved at such a young age is really quite remarkable, because artists with the fame and the notoriety that he enjoys today is not common to people so young as he. Nor is it, I must say, common to have people that young being awarded the highest accolade this Parliament can give to someone in being granted the Freedom of the City. And so I think it is absolutely right that even at his young age we are this afternoon deliberating the Granting of the Freedom on Christian because of his exceptional ability, his exceptional talent, and yes, as other speakers have referred to already, his complete commitment to Gibraltar and its people, because he has never forgotten us and he continues to help and support us in every single way that he possibly can, and I think that that too is absolutely remarkable.

I think the whole of Gibraltar has enjoyed and shared in his success. We watch him closely, we take great pleasure and delight in the work that he produces, and because it is so different and it is so unique I think perhaps we enjoy it more than we normally should.

Mr Speaker, it is with huge pleasure and support that I join my colleagues and, I imagine, the whole of the House in congratulating Christian on what he has done, not just for himself but for the whole of Gibraltar and the pride he has brought to so many of us. Mr Speaker, I commend the motion to the House. *(Banging on desks)*

Mr Speaker: The Hon. Steven Linares.

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): Mr Speaker, as the Minister for Culture it is a great honour and privilege to be the Minister and to have this motion coming to this House.

One of the things about Christian – which the young people and ... as the hon. Member said about his youth – is that he is a role model and he is a person that every single young Gibraltarian should follow, because he gives a lot of motivation to young people that we, as Gibraltarians, can reach the heights that Christian has actually attained.

One of the things that strikes me most is that we have had many exhibitions and, like the hon. Member Mr Reyes said before, from a very young age Christian has been competing in many of our exhibitions – our youth art exhibitions, our international exhibitions – and many people used to say, ‘Why is it that Christian wins so many?’ Well, he won so many because he is so good, he is so talented, and therefore I am glad to say that, on the back of him winning many exhibitions, the Ministry of Culture have quite a number of Hooks, which means that soon we can probably organise an exhibition of the assets, that we have at the Ministry, of Christian Hook. So it is with that that I say that it is an honour and privilege to be the Minister of Culture and to support this motion. *(Banging on desks)*

Mr Speaker: The Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, I must confess a deep jealousy of the Chief Minister and my hon. colleague in having been able to acquire a Christian Hook. Alas, I sadly do not have that good luck.

I, over the years, have developed a deep appreciation and respect for our local artists. Although never having been trained as an artist and having no particular talent in that department, I do appreciate the effort and work that goes into a good work of art.

We have in the past perhaps in Gibraltar focused too much on as it were, our local dead artists, the ones that perhaps should have had more recognition in their time, the likes of Bacarisa, Leni Mifsud and Azagury to name but a few, and in fact Manier as well. But we have an opportunity today to recognise a living artist. We can all go to his studio, which I would recommend if anybody has an opportunity, and see him actually at work. I think it is a unique opportunity for this House and Gibraltar as a whole to recognise Christian’s talent as a living artist. Of course, we also have the artists who have come before him and also are in our community at the moment and are still working. Obviously we must not forget Mario Finlayson, who probably inspired a lot of these young artists today, and although I do have one or two of Mario’s paintings, unfortunately I did not manage to grab Christian in time – and the Chief Minister will be delighted to know that beige is not my favourite colour – but there you have it.

Mr Speaker, what is more important and I think what is coming out of the commentaries that we are getting this afternoon is that Christian has not forgotten his roots. He has not gone and opened his workshop in Mayfair. He is quite locally based in Horse Barrack Court and is there to be seen at work and his work is still being done here in Gibraltar, and I think for that he is to be commended, but especially so in that he is still approachable, he is still an individual. As the hon. Lady on the Government benches said, he still does work for Gibraltar.

What struck me most was that this is an individual who must be extremely busy but he still took time to engage with students at sixth-form level who are undertaking their Young Enterprise projects, and – Minister Cortes will recognise this – that he contributed his own experiences in the book that was published at the Young Enterprise programme. I think, Mr Speaker, perhaps in his own words is probably the best way of summing up his experience. He said in his contribution:

I believe that my journey from being an illustrator to a teacher and suddenly turning my luck around and achieving this success in life should show others that if I can do it, anyone and everyone can do it too. There are no rules on how to better yourself as there is no formula for success. Personally, I feel that the only person who can stop you from achieving your goals is you, by thinking that it is not possible when it is possible.

I think, Mr Speaker, I cannot possibly add to those words and I fully endorse this motion. *(Banging on desks)*

Mr Speaker: The Hon. Dr John Cortes.

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):

Mr Speaker, I think I must share an anecdote with this House. Many years ago – 12, perhaps 15 –
 1390 when in another life I was working in the Botanic Gardens, we were producing a booklet on the
 wildlife of the Upper Rock. We had a number of photographs of plants and birds but we had
 none of butterflies. We really wanted to illustrate the butterflies of the Upper Rock and
 someone suggested that we should talk to this young teacher in Westside School and get
 Christian Hook to do it for us. Christian, always willing to help everybody in the community, very
 1395 willingly designed and drew this beautiful picture of a number of Gibraltar's butterflies, which
 subsequently got published as the centrepiece of the book. As I was taking the original with me
 in the back of my car with other papers, inadvertently it slipped out as I was getting out of the
 car and I lost it. And Gibraltar being what Gibraltar is, a couple of days later I got a phone call
 saying, 'Mr Cortes from the Alameda Gardens, I found a picture of butterflies – it must belong to
 1400 you.' That's Gibraltar! I was very pleased because actually we wanted it in order to be able to
 publish it, so I got it back. So I must be the first person ever to have lost a Christian Hook original
 and then found it again. I had to share that on this occasion.

Obviously I have since got to know Christian better. I heard his Beacon lecture, absolutely
 fascinating. As I think we have said, *muy buena gente*, and obviously we must all support this
 1405 motion. (*Banging on desks*)

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

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

I associate myself with the comments that everybody has made during the course of this
 1410 motion – in particular, it has to be said, the hon. Lady, Samantha, Minister Sacramento. I
 thought her description of Kevin Hook was particularly germane and particularly on the button,
 if I may say so. (**Hon. Miss S J Sacramento:** Christian.) Christian, I beg your pardon. He is always
 and has always been a person who has made himself available. He is a person who is *extremely*
 1415 approachable and, as the hon. Lady has also said, is somebody who is always available in order
 to do his bit for Gibraltar. The Hon. the Chief Minister also said that he is a proud Gibraltarian
 and I think that is absolutely true. Not always is there a direct correlation between somebody
 who is successful and also being proud of his roots and where he comes from and Gibraltar, and
 that is certainly true of Christian Hook.

Mr Speaker, Mr Isola said that we all share that sense of pride in his achievements and I think
 1420 that that is also a particularly germane comment. Every single time that I see or read an article
 referring to Christian Hook about his achievements internationally I feel a sense of pride in the
 fact that this gentleman comes from my home town. There is almost a sense of ownership of
 part of Christian Hook that makes me feel proud of his achievements.

I also, on a personal level, want to congratulate his parents, Denis and Elvira. They, together
 1425 with Christian and Kevin, lived for many years in Varyl Begg. They grew up in Varyl Begg, where I
 also grew up. They had the Beehive Store. I do not know whether people are familiar with Varyl
 Begg in this Chamber, but they had the Beehive Store for many years and I have to say that this
 accolade of Freedom of the City could not have happened to nicer people than the Hook family.

For all those reasons, Mr Speaker, and for all the reasons that have been expressed around
 1430 this Chamber, I have absolutely no hesitation in supporting this motion. (*Banging on desks*)

Mr Speaker: I call on the mover to reply. The Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I want to thank all hon. Members who supported the
 1435 motion.

I think that listening to the hon. Lady made me think of the moment that I saw Christian win the Sky Arts programme. I confess I knew before it was aired but, despite that, I still felt just like I felt when I actually saw it, just like I felt when Kaiane won Miss World. It really was one of those moments when you saw extraordinary world-beating Gibraltarian achievement actually happen. I think Gibraltarians will remember where they were when Kaiane was Miss World and where they were when Christian Hook won Sky Artist of the Year.

I certainly will always remember where I was when Christian Hook photographed me for the portrait, because it was downstairs in front of the words 'Gibraltar Parliament' and that I bought it, Mr Speaker, because it took 10 kilos off what I looked like at the time, which was much needed, and it was a reflection of a better me, I thought. I think Christian manages to capture a better subject than even the one that he is seeing.

If I may say so, Mr Speaker, he has done an excellent job in particular of the portrait of Her Majesty the Queen, which won a competition organised by Momy Levy and which now hangs in No. 6 Convent Place. I asked Momy whether he would agree that the gift he had made to Governor Adrian Johns of that portrait could actually be transferred to No. 6, and we now therefore have a very prominent Christian Hook portrait of Her Majesty the Queen which gives the subject of the portrait great life and I think is one of the best depictions of Her Majesty that I have seen.

I am very happy, therefore, Mr Speaker, that when he came to see me – I forget the year ... He came to see me and said, 'Look, I've got this competition but I'm going to have to leave school for a few months and it is an extended period of time, therefore the Department says political clearance is required. I really want to go for this: would you agree?' and I said, 'Of course I will – this is a Gibraltarian ready to take on the world: why not?' He took it on, he won, and I think the best description I have heard this afternoon is the one used by the hon. Lady across the way: he is now recognised as a modern master. (*Banging on desks*)

Mr Speaker: Before I put the question, may I say that as someone who in the art room in the grammar school was known to have painted the sea purple and tree trunks blood red, I do not feel competent to comment on Christian's work, (*Laughter*) but I am delighted that I have had the opportunity to sign this certificate conferring the Gibraltar Medallion of Honour, which also goes with the Freedom of the City, and I congratulate him and his family for that tremendous achievement.

I now put the question in the terms of the motion moved by the Chief Minister. All in favour? (**Members:** Aye.) All against. By acclamation, I would say, the motion is carried.

ADJOURNMENT

Chief Minister (Hon. F R Picardo): Mr Speaker, now that Christian Hook can safely walk up Main Street with his goat, if he wishes to in exercise of the Freedom of the City and Garrison of Gibraltar, I move that the House do now adjourn to Monday, 26th June at 11 a.m. when the House will consider the debate on the Appropriation Bill 2017 as its first order of business.

Mr Speaker: The House will now adjourn until Monday, 26th June at 11 in the morning.

The House adjourned at 5.19 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.01 a.m. – 2.34 p.m.

Gibraltar, Monday, 26th June 2017

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The Gibraltar Parliament

The Parliament met at 11.00 a.m.

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

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

Order of the Day

GOVERNMENT BILLS

FIRST AND SECOND READING

Appropriation Bill 2017 – First Reading approved

Clerk: Meeting of Parliament, Monday, 26th June 2017.

Bills, First and Second Readings. A Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2018. The Hon. the Chief Minister.

5

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money for the service of the year ending on 31st March 2018 be read a first time.

10

Mr Speaker: I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2018 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Appropriation Act 2017.

Appropriation Bill 2017 – For Second Reading – Debate commenced

15

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

20

This is my sixth Budget address as Chief Minister. It is in fact my second Budget address since our re-election to Government in November 2015 with a huge vote of confidence from our people, and I now have the honour to present the Government's revenue and expenditure estimates for the financial year ended 31st March 2018. During the course of this address I will also report to the House on the Government's revenue and expenditure outturn for the financial

year ended 31st March 2017, which was the fifth full year of a Socialist Liberal administration since we took office on a warm autumn day in December 2011.

25 Mr Speaker, as has been traditional now for almost 30 years since the first GSLP Chief Minister delivered the first GSLP Budget in 1988, my address will of course not just be my report to the House on the public finances of our nation and the state of the economy generally, but also a parliamentary State of the Nation review of the economic and political future facing Gibraltar.

30 There could be no better way for the GSLP to celebrate its 40th anniversary than with the honour of a second GSLP Chief Minister delivering a socialist Budget for Gibraltar. It is indeed noteworthy, Mr Speaker, in partisan terms, that the AACR and the GSLP are the only parties in Gibraltar's political history to date that are able to boast two different Chief Ministers in their ranks. Moreover, the GSLP, if I may say so, is the only party to date to have two different leaders become Chief Ministers after leading the party to win general elections.

35 Today I will, of course, also outline the budget measures that the Government will introduce this year in pursuance of our manifesto commitments and in order to continue to address the social and business needs of our community in the developing context of the decision of the United Kingdom to leave the European Union.

40 Mr Speaker, before I start the substance of my economic analysis today I want to extend the thanks of my party on this side of the House and of the Liberal Party to the Clerk of the House and his staff. They do a huge amount of work unseen during the year in order to ensure that our democracy works. Since the last Appropriation Debate in this House there has been no election or referendum – thank goodness, I hear the Clerk say – but there has been a Gibraltar meeting of the Commonwealth Parliamentary Association. Members of the CPA who visited Gibraltar were, as ever, impressed by the magnificent locations they visited and of course by the organisation of the events they were engaged in. I know that took a lot of hard work from the Clerk and all members of the staff of the House. I am sure there was a helpful guiding hand from you, Mr Speaker. I therefore want to extend the sincere gratitude of the Government, and I am sure all Members of the House, for the work you do and have done throughout the year to assist us all, from the eldest Member to the newest Member, as we all rely on you in equal measure for this, for cribs, for questions and answers to be provided and when we have to get up to ask or answer questions. As Leader of the House, Mr Speaker, my sincere thanks – no doubt on behalf of the whole House – to Daniel, to Frances, to Kevin, to Paul and of course also to you, Mr Speaker. *(Banging on desks)*

55 Mr Speaker, as has been the case with all my Government's previous budgets, this Budget is designed with prudence in mind to support our working families, young people, the elderly and the disabled. We will aim today to continue to put in place measures to make Gibraltar the most attractive place in Europe and in the Mediterranean to do business and we will do so whilst continuing to invest in our youth because they are the future and we must never stop investing in the future. And we will do so whilst continuing to support senior citizens in our community, because they built this nation and we must never forget their contribution to the prosperity that we enjoy today. And we will do so without forgetting those worse off in our community who cannot help themselves.

60 But this is not a Budget, Mr Speaker, for those who will not help themselves though they could, this will not be a Budget for those who will not work when they could, because above all else today this Chamber will receive a Budget designed to encourage business, to continue to improve our public services and to deliver sustainable growth in our economy. This Budget reflects my Government's ongoing commitment to improve the quality of life and standard of living of all our citizens. That has been the hallmark to date of all the budgets that I have delivered and we will not change that direction of travel.

70 Mr Speaker, last year I rose to address this House less than 10 days after the result of the Brexit referendum. It is true to say that the United Kingdom had shocked us all as much as I think it had shocked itself with the result of that poll. Prime Minister Cameron had just resigned and

we awaited the outcome of a leadership contest in the Conservative Party before the direction of travel for the United Kingdom might become clear.

Well, one year on, Mr Speaker, can we say that things have changed or developed much? The recent inconclusive result of the unexpected general election in the United Kingdom has left even the most seasoned political commentators scratching their heads as to what form of Brexit Britain is likely to achieve. In recent days there is even comment that questions the result of the referendum and whether leaving the European Union is an objective that the United Kingdom can fulfil without considerable economic loss such that it may not be a deliverable goal that the public will accept. Will the UK end up with an EFTA deal, like Norway? Will Gibraltar's stalwart friend, Philip Hammond, be Prime Minister? Will the United Kingdom stare into the Brexit abyss in 2019 and decide that it is not viable after all? All of that is in the informed broadsheet comment just in the past 48 hours from the best commentators and the most respected news sources.

But Her Majesty's Government of Gibraltar cannot deal in either speculation or in hope. We must deal in facts and plan for eventualities beyond those appearing at first blush. The facts as they are before us are clear. Article 50 of the Treaty of Lisbon has been triggered by the United Kingdom. The UK will not be a member of the European Union by midnight on 29th March 2019.

If, as appears to be the case, the United Kingdom is leaving the European Union, then we are leaving the European Union with the United Kingdom. No one in Gibraltar has any interest in accepting an offer of joint Spanish sovereignty or otherwise diluted British sovereignty in exchange for continued membership of the EU. It is now finally accepted by all parties that Gibraltar is a part of the exit negotiations. There is an attempt by Spain to exclude the application to Gibraltar of any new relevant trade arrangements between the UK and the EU. The United Kingdom's Secretary of State for Exiting the European Union, David Davis, has been clear and unequivocal in his conversations with me in saying that the United Kingdom will not do a future trade deal with the EU that excludes Gibraltar. In addition, the United Kingdom, through its Secretary of State for International Trade, Liam Fox, and its Minister for Exiting the European Union, Robin Walker, have been clear in stating that when it comes to financial services there are strong mechanisms already underpinning Gibraltar's access to the UK market which are enshrined in UK law and that the UK government will maintain that access. We have also agreed that together we will examine ways to broaden our economic co-operation and increase market access and will take into account the priorities of Gibraltar as the UK looks to establish new trade and investment agreements with the wider world.

Access to the United Kingdom market is essential in respect of financial services. Maintaining that position, as it is agreed today with the United Kingdom, is just now a question of finessing mechanisms. That is something tied in with the Great Repeal Bill to an extent, as the measures which today allow access to the UK market are single EU market passporting rules. We are already engaged in detail in this respect with the UK. The Attorney General, Michael Llamas, is ably leading a team on these issues with Paul Peralta of the Government's Legal Office drafting team. Similarly, access to the new trade deals the United Kingdom will do and its double taxation network is an important part of the future for Gibraltar. We are working closely with the Department of International Trade on these matters.

We genuinely believe that Gibraltar will be able to carve out an important niche as a gateway to the UK for business already in the EU. Those who might have been rubbing their hands with glee to take our EU-facing business may in fact now find all their UK-facing business come to us. We shall see, Mr Speaker.

The decision of the European Council to accept a proposal by Spain, however, to seek to exclude Gibraltar from any future UK-EU trade agreement – which was advanced, we understand, by the Spanish Prime Minister at the partisan European People's Party congress held in Malta – disappointed many Gibraltarians. Make no mistake about it, Mr Speaker, we expected nothing better from Spain, but the attitude of the EU Council disappointed every Gibraltarian who had voted to remain in the European Union. The inclusion of that clause felt

like a slap in the face to the smallest jurisdiction in the EU by the most powerful of its institutions. Indeed, I doubt the European Union will ever enjoy emotional support in Gibraltar again, even if we all would still see the benefits of remaining in the Union and even if in the end the United Kingdom were to decide to remain in the EU.

130 The effect of clause 24, however, will have to be seen. All that clause is at the moment is just one of many guidelines given to the EU negotiators. The position of the Gibraltar and the United Kingdom governments in respect of that clause is well known. In this respect I would counsel our people to allow the Spanish media their time to gloat and to await the outcome of the negotiations. I would put it this way: I have never seen a Spanish media outlet forecast a loss by
135 one of their teams or competitors in any sporting event, regardless of how disastrous the final result may end up looking. The Government of Gibraltar will work to defeat any attempt to exclude Gibraltar from any measures which might be advantageous for Gibraltar, and of that everyone in this community can of course be sure.

In that respect, Mr Speaker, I am able to announce today that the Gibraltar Consultative
140 Council, which was created by this Parliament by statute, is expected to meet for the first time on Monday, 24th July. I will welcome the opportunity to share candidly with the members of the Council the Government's ideas and concerns. Those who are not officeholder members of the Council will shortly be notified of the invitation to be a part of it.

Mr Speaker, the Governor of the Bank of England, Mark Carney, has warned last week that
145 Brexit is unlikely to be 'a gentle stroll along a smooth path to a land of cake and consumption'. Mark Carney warned that Brexit is likely to lead to 'weaker real income growth' as new trading arrangements with the EU come into force. In a keynote speech last week at the Mansion House he said that 'since the prospect of Brexit emerged, financial markets, notably sterling, have marked down the UK's economic prospects'.

Mr Speaker, I think it is important to reflect that the two UK Cabinets we have seen in place
150 since this speech last year contain past and new friends of Gibraltar who are responsible for those prospects that the Governor of the Bank of England was referring to. Apart from Philip Hammond, we have seen a champion of Gibraltar's cause like David Lidington now elevated to the prestigious post of Lord Chancellor. We have seen long-time friend of Gibraltar Liam Fox
155 appointed to the crucially important post of Secretary of State with responsibility for International Trade. And we have seen Sir Alan Duncan, a former resident of Gibraltar as a boy, appointed once again as Minister of State for Europe. And a former Governors ADC, the valiant Tobias Ellwood, who displayed heroic qualities on the day of the attack on Westminster Bridge, is now a Minister in the Ministry of Defence.

But undoubtedly the most revealing appointment has been the appointment of Robin Walker
160 as Minister of State in DeExEU. Minister Walker has been able to assimilate and understand the issues which affect Gibraltar. He has been able both to empathise and analyse in equal measure the concerns we have put to the United Kingdom. Last year in this debate I told the House that after meeting the Minister for Europe, then David Lidington, I had received the British
165 Government's assurances in writing that we would be 'fully involved' in the process that was then getting underway in the UK to give shape to Brexit. Since then, after the two UK Cabinet reshuffles, both Robin Walker and Mr Lidington's successor, Sir Alan Duncan, have been extraordinarily helpful advocates for Gibraltar into the wider UK administration as a consequence of the detailed exchanges we have had pursuant to the operation of the Joint
170 Ministerial Council specifically created for Gibraltar in the context of that full involvement in the UK's exit from the EU.

In the year since then I have given evidence to the Brexit Select Committees of the House of
175 Lords and of the House of Commons. Both have issued reports referring to Gibraltar. The Deputy Chief Minister and I, as well as the Minister for Financial Services, have featured on innumerable international television and radio interviews as well as hundreds of thousands of references in print and online media reports on Gibraltar.

The exposure for Gibraltar has been remarkable, Mr Speaker, and indeed has helped to garner publicity that has turned to new business as opportunities start to become palpable, even in the context of an as yet undefined final post-Brexit solution. But the certainty we have played over and over again has been access to the UK market, and that has been the centrepiece of all our interventions.

I will say little more now about the detail of Brexit. Much has already been ventilated in our press statements, much cannot really be aired publicly and much will be said during the course of the intervention to come from the Hon. the Deputy Chief Minister and Minister for Europe and for Exiting the European Union. What I want to stress to the whole nation, Mr Speaker, is that, just like last year, the final shape of what will be our membership or association with the European Union after 2019 is not yet clear; the future relationship between the UK and the EU is, one year on, not yet discernible in any analytically reliable way; and just like last year, we need to keep both united and very alert to all possible permutations facing us. That is the key to being more than just taken along in the process. That is the way the post-colonial people of Gibraltar must be ready to plan and act, to be fully involved in shaping the post-Brexit arrangements that will apply to us and not just accepting that we might simply be told by others what they think is good for us.

Mr Speaker, in relation to this, the Hon. the Deputy Chief Minister has been, as throughout the past 27 years, a rock for me, as usual, in the work I have had to do in respect of this community in relation to Brexit. The team made up of him, the Attorney General Michael Llamas, the Financial Secretary Albert Mena, and our representative in London Dominique Searle, are the core of the Gibraltar Brexit team.

Mr Speaker, what we have been at pains to say also at every stage is that we are not part of the anti-immigration chorus that has appeared in the United Kingdom. I have emphasised over and over again, as I told the House last year, that Gibraltar remains a cosmopolitan Mediterranean business hub. We remain proudly and happily multi-faceted, multi-cultural and multi-ethnic, and that will not change. Neither will our attitude change to the many people who cross the Frontier every day to work in Gibraltar, of whatever nationality they may be.

At this point, Mr Speaker, I want to set out the position of Her Majesty's Government of Gibraltar in respect of EU nationals in Gibraltar after the date that the United Kingdom leaves the EU.

From the first moment after the result of the referendum was known, I made clear that all those EU workers amongst us who were welcome before 23rd June last year would remain welcome in Gibraltar. We recognise their huge contribution to our success, which is tremendously valued by all in our community. Mr Speaker, 12,000 people cross the Frontier every day to work in Gibraltar – 7,000 are Spanish, so Brexit affects British Gibraltarians, other British citizens, Spanish citizens and other EEA citizens as much as it does third country citizens.

The House is aware of the details of the independent report of the Chamber of Commerce about the effect of Gibraltar's economic activity on the neighbouring region. A quarter of all jobs in the Campo and a quarter of the GDP of the Campo are linked to Gibraltar. Brexit does not change that. In fact, it accentuates that, Mr Speaker. That is why I have continued my contacts since last year with the Mayor of La Línea, Juan Franco, and with Spanish unions, Comisiones Obreras and UGT, directly. I have continued to make clear to them that the Government of Gibraltar will not create any obstacles to the free movement of workers coming across the Frontier. I have continued contact and support for the excellent Cross-Frontier Group established by unions and employers' representative organisations from both sides of the Frontier.

Today I can confirm that we will join the United Kingdom in respecting the acquired rights of all EU nationals established or working in Gibraltar before the final cut-off date that might be agreed between the UK and the EU. Neither will we have an issue with any dispute in respect of this class of EU citizens being determined by the European Court of Justice. Mr Speaker, our position in this respect has been clear from the moment that the referendum result was

announced. We have not wanted any EU national to have any uncertainty in their lives in respect of this matter. The Government of Gibraltar has full constitutional competence in respect of matters of immigration. The position of EU nationals in Gibraltar after Brexit is therefore one for this Parliament to determine in immigration legislation, whether in respect of those already established here and working here or those who come in the future. And in respect of those who might come in the future, it is of course right that as a matter of legal logic and international comity the potential effect of clause 24 of the EU negotiating guidelines should be clear. If the UK and the EU enter into new post-Brexit trade arrangements in future which extend to EU nationals rights like British citizens when they arrive in the UK to establish themselves or to work there *after* the UK has left the EU, those arrangements will *not* apply in Gibraltar if the effect of the application of clause 24 has been to exclude Gibraltar from any such new trade arrangements. In effect, therefore, any new Spanish or EEA nationals entering the job market in Gibraltar after 29th March 2019, or such other date as may be agreed, will, as things currently appear to stand, enjoy only the generous rights already enjoyed here by those who are today third country nationals, not those more extensive rights enjoyed today by British and EU nationals. That position is, Mr Speaker, the position that Spain apparently seeks for its nationals and other EEA nationals arriving in Gibraltar in the future after March 2019.

We will see how all that plays out, but one thing is for sure: that the Government of Gibraltar – and I am sure I speak for the whole House in this respect, Mr Speaker – will not allow Gibraltar to be discriminated against and yet extend generous rights to the nationals of those who are discriminating against us, for it should be clear that the people of Gibraltar are not going to be pressured to surrender sovereignty in exchange for EU rights or access to the single market, or anything at all. The mind boggles, Mr Speaker, that there are still some in Spain who think that we might. If there is one thing that has marked our past five years in Government it is our resolute commitment *never* to compromise on the sovereignty of our nation. Indeed, Mr Speaker, that is the only ring of steel which I would recognise: the one around the sovereignty of Gibraltar. In that respect we are alive to the reality that the right to self-determination is the preserve of those who are self-sufficient economically.

In the past five years the administration that I lead has delivered continued prosperity to all sectors of our community. During our first term in office the GSLP Liberal administration delivered economic growth of over 10% per annum against a backdrop of record levels of annual recurrent budget surpluses peaking at €61.1 million in financial year 2013-14.

Revenue has increased from £350 million in the GSD's last full financial year in office to £615 million now. That represents a growth in government revenue in the time that we have been in office of 75%, Mr Speaker – pounds, shillings and pence in the till. Expenditure in the same period has risen by 60% - 15% less – from £372 million to £597 million, which is what we are debating in this House today. Our income has increased more and faster than our expenditure. That is exactly what the prudent and cautious way to grow is.

There has also been significant increase in our employment levels. In our first term employment levels went from 22,247 in the October Employment Survey for 2011, to 26,144 in October 2015. Mr Speaker, that is a growth of 17.5% in the numbers of people employed in our economy in our first term in office alone. And the Government has delivered an overall reduction in the cost of doing business in Gibraltar at the same time.

The Government has also provided support for our working families with income tax levels already being abolished for those with incomes below £11,050.

Mr Speaker, the first GSLP Government, led by Joe Bossano, introduced the minimum wage. The second GSLP Government, in partnership with the Liberal Party, went even further, increasing the minimum wage by 16.3% since our first budget in June 2012, despite criticism from some that we had increased it too much. Inflation in the same period has been 5.65%. So, Mr Speaker, the minimum wage has increased in our time in office by just under three times inflation since we were first elected. In addition, we have exempted the lowest paid in our economy from the tax net altogether. That is our record so far. At every stage, therefore, we

have the lowest paid in our community in mind when setting policy and when determining how to budget the finances of this nation.

There have also been significant reductions in income taxes for all taxpayers and working families in Gibraltar; so much so, Mr Speaker, that I am proud to be able to stand here and say that the Government that I lead is giving back more money to taxpayers each year by way of rebates than any other Government in the history of Gibraltar. *(Banging on desks)* I will say a little more about that later on in my speech, Mr Speaker, but it is a proud boast indeed for a socialist Chief Minister to be able to say that our Government is calculating assessments more quickly than ever before and is rebating moneys more quickly than ever before.

We are also, ironically, Mr Speaker, the Government that is owed the highest amount in taxes by increasing allowances. Additionally, we are also owed more in respect of taxes by taxpayers. So if anyone were foolish enough to have come to this debate thinking that they might run an argument about the surplus being significantly reduced or extinguished by the amounts owed by the Government in tax rebates, they had better think again and quickly scribble out that bit of their speech and scrap it, Mr Speaker. But we will come to that and all the mathematics behind it.

Mr Speaker, despite repeated criticisms in this House, the Government has also ensured that our partners in the delivery of this administration's policies, aims and goals, our magnificent public servants, have also generously benefited from the economic success they have worked to assist in delivering. Public sector pay in Gibraltar has therefore increased since the GSLP-Liberal Government was elected by 14.3%, well over inflation at 5.65% for the same period but nonetheless a lower percentage than the increase in the minimum wage of 16.3% to which I referred to earlier. And that is despite public sector salaries in the United Kingdom, with whom our public sector used to enjoy parity, being frozen or subject to increases of just 1%. Indeed, our public servants have also benefited with public sector pay increasing annually by an average of over 2.8% over the five years when inflation in the same period has averaged 1.13% over the period. Mr Speaker, I am proud indeed of that investment in the greatest asset that we have in Gibraltar aside from our precious land – our people, and in particular the people in our public sector.

Mr Speaker, the elderly in our community have also been net winners in the past five years as we have also continually invested in their well-being, their care and their income levels. The Gibraltar that we have today we owe to the generations that came before us. I spoke two years ago, on the 75th anniversary of the evacuation, of that evacuation generation. This year, as we celebrate half a century since the referendum when our people first made a free choice to remain British, our community needs to reflect on the generation that made that choice. In those distant days of the Cold War and a different world, the threat they faced from across the Frontier was as clear and unequivocal as it was belligerent. Facing restrictions at the Frontier and other obvious coming discomforts, those of voting age on 10th September 1967 went to the polling stations and deposited ballots which were not designed to appease – they were designed to express a free choice uninhibited by the fear of bullying. That, Mr Speaker, is the referendum generation that we must honour and celebrate this year. Announcements will be made by the Deputy Chief Minister of special events being organised in September to commemorate the referendum of 1967.

All of those who voted in the referendum are now senior citizens, although, as I am repeatedly told these days, 60 is the new 40, 70 is the new 50, and apparently 78 is the new 30, Mr Speaker – at least so it would appear from seeing the work rate and sharp brain of Joe Bossano! Anyway, that is why our senior citizens have shared in our nation's economic success with annual increases in old age pensions amounting to 10.5% since 2011. It is worth remembering inflation for the same period has been just over 5.65%. That illustrates that the GSLP-Liberal Government has delivered pensions increases at almost double the rate of inflation for the period.

For public sector pensioners, Mr Speaker, we have reintroduced WOPS. I will be opening the WOPS window again for a short period this year on the terms I will set out later in my speech. Additionally, I will be making a change to the qualification criteria for WOPS towards the end of my address.

Perhaps most significantly, Mr Speaker, we have maintained a Savings Bank 10-year product offering 5% interest per annum for our pensioners so that they have also been able to continue to enjoy above market interest rates on their savings with the continued availability of high-interest monthly income guaranteed debentures – and this despite the spread with the Bank of England rate having got larger as the interest rates have gone down.

Community Care, Mr Speaker, has received a considerable part of the surpluses of each year, ensuring that the trustees of that charity have considerable assets available to them to ensure their ability to continue paying the Household Cost Allowance for years to come.

Yet all is not money, Mr Speaker, and our elderly citizens have also seen us benefit them by the establishment of better services which they are likely to need. The two most relevant are, of course, the Dementia Residential Facility at Hillside and the Dementia Day Centre at Bella Vista. These are two absolutely state-of-the-art facilities in which we have invested capital and in which we will now incur recurrent expenditure, but we do so to provide an important and first-class public service from which senior citizens and their relatives will benefit.

In past years I have also been able to point to the significant increases we have delivered in reducing the burden of taxation for our disabled on the allowance-based system. We have also introduced import duty reductions on goods used by disabled members of our community. Led by Samantha Sacramento and Joe Bossano, that policy initiative has been particularly positive in ensuring that our assistance to those in our community who are disabled has not been passed on as gifts, grants or charity, but on the basis of dignity, respect and encouragement. That is why we have grown previously frozen in-work benefit allowances for the disabled and those they depend on.

Mr Speaker, on this side of the House we do not believe in discrimination. In particular, we do not believe in age discrimination, one way or the other.

Hon. J J Bossano: I should think not! *(Laughter)*

Hon. Chief Minister: I should think not! I don't think I'd get away, if I tried, with any age discrimination!

For that reason, in the same way as we have supported the elderly in our community and those of working age, in these past five years we have also acted to support young people. We have funded the creation of new opportunities and we have increased the funding available for studies abroad. I am particularly pleased by the internships at the Washington Centre in the United States, which exposes our young people to US entrepreneurship as well as to the political system of that great nation.

I am also very pleased to see that in the past five years student maintenance grants have risen by 16.1% or by three times inflation. Mr Speaker, it was the GSLP Government that introduced the compulsory student grant in 1988 to cover tuition fees as well as maintenance. We were against the requirement of the GSD when in office that Gibraltarian students should have to take loans from the Student Loans Company to fund their tuition fees. If that had not stopped before the election, we would have stopped it. Now again in Government, Mr Speaker, we have not just increased the maintenance grants, we have also increased the scope of scholarships: we have extended the right to a scholarship to cover postgraduate studies also. As result, investment in our students has increased from £5.2 million in the financial year 2011-12, the last budget for which Hon. Members were responsible, to £16.6 million this year. We have increased the investment in tertiary education of our students therefore by £10 million a year over the past five years. Mr Speaker, there are those who argue for less spending who would not

make these investments. We are proud to do so. We have increased spending on scholarships for our students by 214%. Of that we are extraordinarily proud.

But the investment has not just been in scholarships for our university students travelling abroad. We have also built and developed our own university, and not content with that we have also already, in five short years, built two new schools for our infant and middle school pupils at St Bernard's school and we have increased the number of teachers in our schools.

We will go further, Mr Speaker. As previously explained to this House, a working party composed of teachers, parents and the Teachers' Association was set up by the Government to study the desirability or otherwise of converting our two comprehensive schools into mixed-gender schools. The Working Group on Co-Education has now reported back and presented its recommendations, which have been accepted by the Government.

The Minister for Education will be providing more extensive details in his Budget speech, but I am pleased to announce that the process to introduce full co-education in Gibraltar in the two comprehensive schools will now commence.

To coincide with this, there will also be a realignment of the key stages in the education curriculum, to follow the practice in England and Wales, with children entering the comprehensive schools one year earlier at the beginning of year 7, and schooling will be provided for all children at pre-school level.

These changes will coincide with a programme to provide new schools to St Martin's – our first priority – Notre Dame, St Anne's, Governor's Meadow, Bishop Fitzgerald, Westside and Bayside School. Exciting plans are also being developed for both St Mary's Middle School, St Paul's School and St Joseph's School. That is the delivery of our manifesto-plus, Mr Speaker, with the intention of these new educational facilities opening in September 2019.

At this time, the first stages of transition to mixed-gender comprehensives will be made and the manifesto promise of providing hot schools meals will be fully realised. (*Banging on desks*) I see the parents who make up the lunch boxes (*Laughter*) banging the table harder than others, Mr Speaker! The community will want to listen carefully to the statement from the Hon. John Cortes, who will provide greater details in his contribution to this debate.

We will also carefully consider the introduction in Gibraltar of a new 'T-level' A-level system, as has been announced in the United Kingdom, which overhauls how technical education is taught and administered and aims to put the courses on an equal footing with academic work. The UK's plans were announced in the budget by Chancellor Philip Hammond and will increase the number of hours students train by 50% and will replace the current 13,000 qualifications available with 15. The Chancellor alluded to the fact that there is still a lingering doubt about the parity of esteem attaching to technical education. We agree, Mr Speaker, because as the Budget document discloses, while the academic route through education from GCSEs to A-levels and on is well regarded, more needs to be done for technical education. We will seek to bring about implementation of these new courses by 2019, as is the expectation in the United Kingdom.

This new approach to technical education in schools and new-style apprenticeships will be in addition to the excellent work done already as a result of the Future Job Strategy – that highly successful mechanism that has taken so many out of unemployment and given them worthwhile, meaningful jobs. The reality of that can best be seen by looking at the reality of employment in our economy.

The number of jobs in our economy reached a record high of 27,073 in October 2016, representing an increase of 3.6% compared to the previous year. Mr Speaker, I am proud to say that this represents an increase of 21.7% since October 2011 and it is this increase which gives the ring of truth to all of the data that we are presenting. That is to say the GSLP-Liberal Government has presided over an increase of one fifth of the job market in Gibraltar – one fifth, Mr Speaker. That is huge growth by any measure and it leads to the increases in the tax take and the other economically beneficial data that we are seeing take hold.

The number of Gibraltarians in employment also reached a record high this year, Mr Speaker, of 11,065 in October 2016. That is a huge increase in five years of 8.2% from October 2011,

435 barely a month before we were elected into office. That is a particularly positive figure for this
GSLP-Liberal administration to be proud of, given that in 16 years in office – in *16 years* – the
party of Members opposite increased Gibraltarians in employment by the same figure, 8%: 8% in
16 years; 8% in five years, Mr Speaker. In fact, their exact figure was an average of 0.5% a year.
Our figure, as an average annually, is three times that: 1.65% a year. Our dedication to getting
440 Gibraltarians into employment is therefore demonstrated and is paying off.

The strongest job gains came from the private sector, Mr Speaker, where jobs grew from
20,070 to 20,977 – that is up by 907 jobs in the private sector, or 4.5% over the period. The
greatest increase in the private sector was registered in the services, hotels and restaurants and
real estate and business activities industries, where jobs grew by 430, 199 and 164 respectively
445 over the period. The largest industry job gain within the services industry was recorded in the
gambling and betting activities sub-industries, where jobs grew to 3,494 – that is to say 9% or
289 jobs to October 2016 from October 2015. That is spectacular job growth in the gaming
industry after the referendum result, Mr Speaker. And in all this time, record low unemployment
like never seen before. The numbers have been below 200 consistently on a month-by-month
450 basis and I expect therefore that the quarterly average will be below 200 too.

That is the work of a dedicated Minister like Gilbert Licudi and a dedicated staff at the
Employment and Training Board. I congratulate all of them. Employment up, unemployment
down – that is the result not of chance or coincidence but of hard work by the Minister and the
ETB and they deserve the fulsome recognition of this whole House, Mr Speaker.

455 Interestingly, for the past year public sector jobs have increased by 23, or only 0.4% over the
period. Mr Speaker, in the period from October 2010 to October 2011, that is to say the last year
that the Hon. the Leader of the Opposition was a Minister, increases of jobs in the public sector,
that which he appears to occasionally consider so anathema, went up by 2.6% from 4,460 to
4,574 – that is to say 114 in one year. Shocking, Mr Speaker!

460 Anyway, on to more pleasant things. Mr Speaker, the larger the job market, the greater the
opportunity for abuse. For that reason, the Government will now start work with Unite the
Union and the Chamber of Commerce and the Federation of Small Businesses to establish
principles for trade union recognition in the private sector. A working group will be established
in the coming weeks.

465 Mr Speaker, it is also true that apart from ensuring the well-being of our elderly and our
young, we have also transformed much of the physical aspect of Gibraltar in the time that we
have been in Government. Whether it is Commonwealth Park or the new bathing pavilion by
Harbour Views, we have invested in the living environment of our people. We have built over a
thousand new affordable homes and homes for the elderly, and more to come. We have
470 invested in the estates our people live in and the areas that suffered many years of neglect. We
are in the process of completing magnificent refurbishments of Glacis and Moorish Castle
Estates as well as Laguna Estate. These have taken a little longer than expected because we have
encountered technical difficulties that were not anticipated, but we are on track to complete
refurbishments in the next 18 months.

475 But, Mr Speaker, for this Government, as for everyone else of course, Grenfell changes
everything, and if we have to undertake further works as a result of the inquiry into that fire, on
the refurbished or any other estates, we will of course do so; and if we have to change the law in
relation to building standards applicable also to the private sector, we will do so, because I have
no doubt I speak for all Members of the House when I say I am sure we were all equally shocked
480 when we saw the images of the burning Grenfell Tower. No sooner were reports emerging of
the potential relevance of the cladding used in that refurbishment, the relevant Government
agencies, from Housing Works Agency to the Gibraltar Fire and Rescue Services alongside GJBS,
were working to identify if similar issues might affect the cladding used in our refurbishments,
and I want to recognise the work led by Minister Sacramento in this respect in the Ministry of
485 Housing. Having carried out all the necessary checks, we are satisfied that the cladding used in
our refurbishments is completely different to that used in Grenfell Tower. The Grenfell Tower

cladding system consisted of aluminium composite panels, whereas the system used in the Government of Gibraltar estates is an insulated render system. The system of installation was different, Mr Speaker. The producer of the insulation was different, Mr Speaker. The technical advice to HM Government of Gibraltar as regards the behaviour of the materials used when a fire breaks out is that the external surface of the system we have is classified as class zero or low risk as defined in the documents supporting the national building regulations, and at the time of installation all of these matters were considered, discussed and certified by the Gibraltar Fire and Rescue Services. But the most telling thing is that since the estates were refurbished we have had three fires on the estates and the cladding has not caught or propagated the fire. Additionally, we have no gas pipes in our buildings and our tower blocks have two fire escapes and staircases, not one. But that is not a reason for complacency. As a result, additional checks are being carried out and we will await the detailed inquiry into the Grenfell Tower events.

But, Mr Speaker, the Government does not discard, and is considering already the possibility of installing sprinkler systems in our high-rise buildings, if necessary. We will also consider making it a requirement that such systems should be installed in all high-rise buildings throughout Gibraltar. Should additional work be required, we will make the money available to carry it out and ensure our people are kept safe at all times, even if this requires supplementary provision to be made available this year.

That may be a useful moment to thank the directors and staff of GJBS for the magnificent work that they do throughout the year as a company in public ownership with a commercial ethos. When we have to check the works done by them as a contractor for Government, they are never found wanting.

In addition to the ongoing works, Mr Speaker, we will complete the refurbishments also of Alameda Estate during the lifetime of this Parliament. Additionally, we will commence the refurbishment of other areas of Government housing in a well-designed programme that will address the need to invest in all our estates in a timely and affordable manner for the community. The Minister for Housing will say more about these important developments for Government tenants, but I will say that I am already talking in detail with Unite about how we will work together on how the Housing Works Agency will play an important part in the future in the management of the housing stock. And I will soon be meeting the residents of a number of Government co-ownership estates who are talking to us about remedial works which need to be completed. That also includes purchases of ex-MoD properties. I have been unable to see them earlier due to the additional burden of work that Brexit has produced. I very much look forward to seeing them in order to continue our work in partnership in respect of the works outstanding.

And all of this, Mr Speaker, in the context of a Government that is looking out for those who pay their dues, their rents and their taxes by chasing those who do not or who just do not bother. We have been delighted to announce last week that the excellent work led by Samantha Sacramento at Housing has reached the next milestone in its strategy in the recovery of arrears of housing rent. The balance of arrears now owing is just below £5 million. That means over £1 million have been recovered since the arrears collection strategy commenced just under a year ago. The balance of arrears as at today's date is £4,995,427. It must be recalled that at its highest, before the implementation of the arrears collection strategy, the balance of arrears was well over £6 million. Not only is it significant that over £1 million has been recovered in just 18 months, but perhaps more importantly it demonstrates that the problem is now clearly under control.

Mr Speaker, the investment in our community that we have made in the past five years and which has been hugely criticised by some who argue for austerity instead of investment, is paying off. Not only is Gibraltar a more attractive place to do business due to the measures we are implementing, it is also a more attractive place to live.

And the investment produces income also. I told the House last year that the superyacht berth along the outside of the Small Boats Marina in the centre of our city was already attracting

new business to Gibraltar. Additionally, I will be telling the House of a new project alongside this facility which will commence in the coming months.

540 I am happy to report that bunker supplies are up 1.7% from last year and they appear to continue to grow.

Activity at the Port increased by 2.4% in 2016 compared to 2015. The gross tonnage increased by 0.2% over the year. The number of ships calling at Gibraltar for bunkers increased by 2.7% in 2016 compared to 2015.

545 Also commencing and already at the DPC approval stage are the projects that are going to revolutionise sports in Gibraltar. Steven Linares is leading on those incredible and transformational projects which are made possible by the GFA's commitment to pay £10 million into the Improvement and Development Fund this year and £6.5 million the next. That will really make for an Island Games in 2019 which will be memorable and which will create a legacy for
550 Gibraltar's sports men and women. Details have already been provided of that in press statements and in this House, and Steven Linares will say more, Mr Speaker.

What is not yet public is the fact that the Government is working very hard indeed to ensure that accommodation requirements are also dealt with in a way that also creates a legacy rather than an irrecoverable loss. In particular, we are accelerating delivery of the relocations agreed
555 by the former administration with the MoD so we can both house athletes in the housing to be released by the MoD *and* then be in a position to hand over possession of those MoD properties to their new owners. The Government is already working closely with the MoD in this respect and we expect to be able to show properties and plans for sale of *very* attractive MoD properties before the end of this calendar year for completion and handing over in the period immediately
560 after the end of the Island Games.

Mr Speaker, we must therefore see the Island Games 2019 not just as an opportunity to grow our sporting facilities, but also to see the transfer to Gibraltarian families of some very desirable family homes. The Deputy Chief Minister, who ably leads the Government's work on land allocations, and the Minister for Housing, who is ably working on all aspects of housing,
565 including aspects relating to ownership and co-ownership, not just Government tenancies, will be developing this exciting aspect of Government policy in coming months.

Mr Speaker, the Island Games will undoubtedly bring many people to Gibraltar in 2019. Many are already coming, however, as the tourism, hotel and air passenger surveys tabled last week show. Visitor arrivals by air increased by 22% last year, the highest on record. Visitors staying in
570 Gibraltar grew to a record high in 2016, up by 17%. Arrivals by sea increased overall by 17.5% and this was largely as a result of a 17.8% growth in the number of cruise liners compared to 2015. The number of arrivals on yachts also increased by almost 13% over the year, with the number of yachts growing by almost 10%. Tourist expenditure for 2016 has been estimated at £211.91 million, an increase from the almost £200 million in 2015, or 6%. Air arrivals in the first
575 quarter of 2017 continued to increase by 14% with arrivals staying in Gibraltar increasing by 20% and arrivals in transit from Spain also growing by 9% compared with the same period in 2016. The number of arrivals into our hotels reached a record high in 2016, an increase in fact of 18.9%. The largest gains came from tourist arrivals that grew by 25.6%. Other arrivals also increased by 13.5%, and that includes visitors on business, sporting or cultural events. Room
580 nights sold grew by 9.0%. Guest nights sold grew by 13.3%.

Mr Speaker, we were very clearly right when we took the decision to bring the *Sunborn* Yacht Hotel to Gibraltar. It has upped the game of all other operators. It has added conference and banqueting facilities such as we did not have available before. From the moment we announced it was coming the project was, however, subject to unwarranted criticisms from Members
585 opposite and even to major scaremongering. We were right though, Mr Speaker, to have seen the potential, and today it is almost impossible to get a room in that hotel or indeed any other hotel in Gibraltar. Indeed, the *Sunborn*, like all our hotels but in its own unique way also, has been an important part of our success, in particular in relation to the gaming industry and the financial services industry.

As I told the Society of Accountants Annual Dinner last week, Mr Speaker, the FSC has issued 26 new licences since 24th June last year, since the result of the Brexit Referendum was announced. I gave the House a breakdown at Question Time of the areas of business involved, which is already on the record of *Hansard* and which I will therefore not repeat, but in addition I told the House that there have been two licence extensions in the insurance sector also. Remarkably, that area of business is now growing faster than it has for some time and that despite the result of the Brexit referendum.

In the online gaming sector what we have seen in the past year has been a truly remarkable vote of confidence in Gibraltar. We already have two new firms licensed and we have four, not three as I told the Chamber, in the pipeline – one has been added since my address to them two months ago. Of course we will hear of firms restructuring, but this is normal and to be expected as firms upgrade and grapple with the typical cyclical nature of their businesses and the looming Brexit changes, but what we are seeing is a real growth in the industry, not a retrocession, Mr Speaker. The jobs in the industry show that numbers employed grew to 3,494 by October 2016. As I told the House earlier, that is an increase of 289 jobs or 9% in the year from October 2015. But we are seeing that greater growth is to come. In the period since October 2016, that is to say in the seven or eight months since then, an additional further 59 jobs have been added in that industry. That brings the total of people employed in our gaming industry to date to 3,353. Mr Speaker, reality is showing remarkable growth and confidence in Gibraltar online gaming services because we remain the premier jurisdiction in the world for the best regulated online gaming services available to customers.

Our success in financial services and online gaming services is in no small measure down to the work of Albert Isola and his team led by Jimmy Tipping in Financial Services. It is also down to the reputation of our regulator, Phil Brear, who has done a sterling job in online gaming and is widely respected around the world as the best in the business. I extend to all of them my sincere gratitude on behalf of the Government.

Mr Speaker, despite the result of the referendum last year, Gibraltar continues to be an attractive prospect for private developers. We continue working with a number of international developers and contractors on new projects. Additionally, established developers are delivering projects and looking for new opportunities.

As I told the House last year, a new reclamation project in the area of Coaling Island is shortly to be launched. Government companies will have a fully secured financial interest in that project. More details will be made public on the launch of the project, but this is a project that will see an investment from and produce a return on the £300 million institutional investment secured for Gibraltar last year.

Negotiations continue on the Bluewater development, although Brexit has made some of the matters in issue between the Government and the developers harder to resolve as quickly as we would have wished. We are also advancing our discussions in respect of Rooke and the potential development of that area and Victory Place. But most importantly, Mr Speaker, projects like the World Trade Centre have now become a reality. The World Trade Centre is already full and we are in discussions for more office developments. The MidTown Project is already well underway. The new Kings Wharf has already broken ground. Eurocity has already gone for full planning permission. All of that after the referendum, Mr Speaker. Gardens of Beauty, Waterside Villas and two more of the Ocean Village towers are about to get underway, demonstrating a huge amount of confidence in Gibraltar and its future.

Mr Speaker, this represents hundreds of millions of pounds of investment in Gibraltar by the private sector. Not a few million, not tens of millions – *hundreds* of millions of pounds of investment by the private sector. It is because there is great confidence in the Gibraltar market that there is therefore great investment into Gibraltar. That is why Members opposite would be foolish to talk down the economy or public finances of Gibraltar, which are demonstrably strong. They would be wrong to raise the spectre of our public finances being anything other than entirely robust, because this debate should be a little bit more sophisticated than them coming

here to say that things are not going well, when they demonstrably are. Our economic data shows robust growth and there is nothing for Gibraltar to gain by them pretending otherwise.

645 Mr Speaker, the Governor of the Bank of England, Mark Carney, has also warned about weaker real income growth in the United Kingdom and how the UK has emerged from the referendum, as I said before. We must be alive to the words of the Governor of the Bank of England but the data that I will now disclose for the economic performance of Gibraltar in the last year will not reflect a similar downturn for the Gibraltar economy nor that of our public finances.

650 Mr Speaker, Gibraltar's economic performance has been outstanding in this first financial year since the Brexit referendum. There is no uncertainty reflected in the brilliant numbers for the past year that I report to the House today. A strong economic performance is, of course, a part of what makes us attractive for the continued established here of international businesses, but what is interesting is that revenues are not just up in one category, they are up across the
655 board. Income tax is up from £148 million to £154 million, illustrating the value of growing employment. Company tax is up from £109 million to £135 million, signifying good results from those performing here. Import duties are up across all heads of duty from £160 million to £189 million, signifying that the falling value of the pound sterling makes our exports more attractive. Stamp duties are up to almost £20 million. Gaming fees and charges are also up to
660 over £15 million, demonstrating this sector is vibrant and performing. Rates and rents are up, showing more effective collection, an aspect of revenue growth for which all credit must go to Minister Sacramento. Airport taxes are up, recognising the increase in air traffic to Gibraltar. Tourist site receipts are up on our projections. Savings Bank deposits are up, as well as reserves. Port Authority fees are up because bunker dues and cruise passenger numbers are up. We are
665 well on target to achieve the commitment, therefore, set out in our manifesto of achieving GDP growth of at least 7.5% a year, Mr Speaker. So, to paraphrase the Leader of the Opposition in a way that I am sure he never intended, our decisions are coming home to roost but in a very positive way indeed.

I am therefore delighted to now undertake a substantive analysis for the past year of the
670 performance of our economy and the state of our public finances for the financial year ending on 31st March 2017. In this respect, Mr Speaker, we must equally be conscious of the fact that the process of Brexit has just begun, as we must be alive to the fact that the economic data available for Gibraltar's performance last year is worth celebrating.

Prudence and caution in our planning for the future cannot and should not ameliorate our
675 ability or indeed our obligation to celebrate the excellent performance that our workers and entrepreneurs have delivered in the 12 months of the past year financial year. In particular, we must reflect that nine of the months on which I am reporting occurred after the result of the referendum was known and Brexit became a reality. Let us therefore see how we performed when our detractors were writing us off. Let us see how we reacted to the gloating of our
680 neighbours and our competitors.

Mr Speaker, near zero inflation in the UK and euro area during 2016 was the result of the continuing low price of fuel, food and other imported goods. These had a knock-on effect on Gibraltar's rate of inflation that also averaged near zero until July 2016. Thereafter, what are clearly Brexit-linked increases in import costs and the rising global price of fuel started to feed
685 through to consumer prices, where inflation picked up to 1.5% in October 2016. Inflation has continued to rise in 2017, where the IRP stood at 2.7% in April 2017, up from 2.5% in January. The largest contribution to the rate of inflation in April 2017 came from transportation and vehicles. These were partially offset by downward contributions from food, other goods and services.

690 Gibraltar's rate of inflation has averaged 2.6% to date in 2017, higher than the same period in 2016 that averaged at 0.25%. The growth in inflation is largely the result of rising import prices from the fall in sterling since the EU referendum together with the higher global price of fuel

that will continue to filter through to consumer prices with inflation projected to remain above the 2% target in 2016.

695 So now, Mr Speaker, I will turn to an analysis of the gross domestic product and of average national incomes. The final GDP estimate for 2014-15 is estimated at £1.61 billion, representing a growth of 9.1% by £134.64 million. The GDP preliminary estimate for 2015-16 is £1.75 billion, increasing by 8.5% or £137.53 million. Mr Speaker, for this year, the GDP forecast for 2016-17 is £1.91 billion, increasing by 8.9%, or almost 9%, or by £156.25 million compared to 2015-16: an
700 excellent result for the whole community to be proud of.

Government continues to work towards a target that would see increases in GDP reach at least 2.4% by the end of March 2020, exactly as predicted in our manifesto. We are on track to deliver that growth. This represents a continued average annual growth over the period of at least 7.5% and is exactly the basis of the manifesto presented to the people in November 2015
705 and on which were returned to office.

GDP per capita of an economy is often used as an indicator of the average standard of living of individuals in that country, and economic growth is therefore often seen as indicating an increase in the average standard of living. It is not a strictly scientific measure, but it has been referred to every year since before we took over as the Government. As I have told the House,
710 the latest forecast for 2016-17 estimates a nominal GDP per capita growth of 8.9% from the previous year.

On the IMF GDP per capita rankings the UK continues to feature in 28th position with a GDP per capita of \$42,481 and Spain in 37th position with GDP per capita of \$36,416. Gibraltar's GDP per capita for 2016-17 is forecast at \$92,843, placing Gibraltar in fourth position, closely behind
715 Macao Special Administrative Region and with a GDP per capita which they have of \$95,150. We are ahead of Singapore, Switzerland, Hong Kong, the UK and Spain, Mr Speaker. As I have said before, my own view is that these measures are not entirely scientific because of the differing methodologies and fluctuating exchange rates on which they are based. Nonetheless, they are the measures that the rest of the world relies on.

As if to demonstrate how fluctuating and thereby potentially meaningless a calculation this is, the figures would of course have varied wildly depending on what day of the last two weeks one might have carried out the calculation, because of the continuing steep fluctuations in the value of sterling against the dollar and the euro. The important aspect of this exercise, however, is really only one to appreciate that the Gibraltar economy is estimated to have grown in real
720 terms by 7.5% in 2015-16 with average earnings going up by almost 8%. This growth places us ahead of other small countries including Malta, Luxembourg, Singapore and Hong Kong.

Mr Speaker, the level of aggregate public debt as at 31st March 2017 was marginally lower than last year at £443 million. The level of cash reserves ended the financial year at around £123 million. This reflects net public debt in cash terms of £320 million. Mr Speaker, that is a net
730 debt that has been reduced, in effect, to 16.75% of GDP.

Mr Speaker, as is normal, liquid reserves held by the Government ended the year marginally higher than the cash reserves. As is the established practice, a full breakdown of these liquid reserves and details of where these reserves are invested will be provided as part of the Annual Accounts of the Government, once these have audited by the Principal Auditor.

735 Mr Speaker, our public debt continues to fall and to be low in relation to the size of our economy. As a percentage of GDP, our net public debt is currently among the lowest of the countries in the European Union.

Our overall borrowing is relatively low, even if we were to include the borrowing of Government-owned companies, which, as Hon. Members know, is not and never has been deemed to be part of the public debt when their party was in office and when they therefore thought it was perfectly proper for the calculation to do be done in that way. This is so because borrowing by Government-owned companies is serviced directly from the income accruing to those companies and is secured against income-generating assets held by these companies and not against the Consolidated Fund or the general revenues of the Government.

Mr Speaker, the Government is nevertheless committed to continually reducing its debt-servicing costs and is fully engaged in restructuring its borrowing in order to take advantage of the historically low levels of market interest rates. In this respect and as part of the ongoing management of the public debt, opportunities to extend the maturity profile of the public debt are still being actively looked at by the Financial Secretary and we will continue to pursue those.

The Gibraltar public debt/GDP ratio has fallen in aggregate terms, Mr Speaker, from a high of 44.4% in 2010 to a 10-year low of 23.2% in 2016-17 in keeping with the GDP forecast of £1.9 billion. In net terms, public debt now represents 16.75% of GDP in 2016-17, a decrease of 2.7 percentage points compared to 2015-16 when it stood at 19.5%. The highest point of net debt to GDP was actually reached, Mr Speaker – surprise, surprise – under the former administration, when net debt to GDP rose to 25.3%. We have reduced net debt since then by 8.5%. These ratios continue at a lower rate than that of the UK and most other European countries. As we committed ourselves to do at election time, Mr Speaker, we will achieve the debt targets set out in our manifesto so that net debt will be £300 million by 2019-20, which will then be in the region of 12.5% of our GDP, which we expect to be in excess of £2.4 billion.

Mr Speaker, I am delighted to announce to the House that during the last financial year 2016 we have once again achieved a recurrent budget surplus. Just achieving a surplus is something which not all governments manage.

In 2003-04, the year of the General Election, the then GSD administration delivered a deficit of £7.8 million. That is to say the GSD fell short by almost £8 million pounds. They spent more than they collected. Indeed, Mr Speaker, I seem to recall that that was the financial year in which the Hon. the current the Leader of the Opposition joined the GSD. I guess it was their budgetary prudence, leading us into a deficit, which convinced him to join them.

Most nations work on the basis of projecting for a not too big deficit. Well, Mr Speaker, in post-Brexit Gibraltar we are going to declare a surplus which will rank as the highest on record to date. *(Banging on desks)* The surplus of revenue over expenditure for the financial year 2016-17 was estimated at £75.8 million at the time that the Estimates Book went to press. That is more than three and a half times the originally estimated surplus for the year. This marks the hard work of everybody in our economy and the prudent stewardship of this economy for which we are responsible. Additionally, this shows that we continue to build on the strong foundations of our first term in office. In the past financial year we have not just paid our way; we have paid our way and done so with £75.8 million left over. But, in fact, Mr Speaker, I am advised by the Financial Secretary that as the forecast outturn crystallises it is actually likely that the surplus is going to be closer to £78 million. *(Banging on desks)*

Government revenue during the last financial year exceeded the original budget by around £63 million. As a reflection of the continuing growth in our economy, income tax receipts were up by around £5 million and company receipts were up by around £31 million. Departmental expenditure during the year, on the other hand, has been contained by the Government and this year ended slightly over budget at £6.6 million or 1.4% over budget.

Mr Speaker, hon. Members will see that the estimated surplus for this financial year is once again set just at £18 million, as it was last year. That estimate is, of course, a very conservative estimate of what we believe is achievable. In addition, it is worth noting that the surplus of £75.8 million, or £78 million as it now looks to be, is declared *after* the deduction of £25 million to fund the Government companies, something which was not done by the previous administration, which preferred to accumulate losses in the companies. As I remind the House every year, we moved away from that approach in our first financial year in office and have consistently deducted £25 million to fund company losses in each year since our first election *and* declared record surpluses nonetheless. In this instance, for the sake of comparison, I should clarify that if we were declaring the surplus in the same manner as the former administration which Members of the party opposite represent, we would be declaring a surplus of £103 million. We continue, however, to believe it is more prudent and appropriate to make the deduction in order to fund company losses, as I have stated.

Mr Speaker, I want to once again congratulate controlling officers for their financial management in respect of these returns, although some Departments where cost is demand led have exceeded their budgets for that reason.

Mr Speaker, as in previous budgets and in line with our manifesto commitment to help Gibraltar Community Care Trust build up its reserves so that it can become totally independent of Government grants, I am delighted to inform the House that a further sum of £20 million has been earmarked by the Government this year as a contribution to the charity. This contribution will be paid out from the Government's recurrent surplus for the year and goes towards a rainy day fund most in our community are very fond of. By the donation of this amount, Community Care will remain on track to have reserves of £230 million by 2019-20, as we are committed to do. That is the largest rainy day fund our community has ever have had in its history, Mr Speaker.

I now move on to the Revenue and Expenditure Budget for the current financial year. Estimated recurrent revenue for the year is budgeted at £615 million. For the first time, we expect to break the £600 million barrier in respect of revenue in the estimates. This represents an increase in revenue of over £24 million or 4.1% over the previous year's estimate. This is nonetheless a conservative budget going forward, particularly when compared with the forecast outturn. The overall recurrent expenditure budget for the year is £597 million, which reflects a modest increase of around 4.5% over the 2016-17 estimate. Mr Speaker, the Government is therefore once again conservatively projecting a recurrent budget surplus, as I have told the House, of £18 million. That is to say all of the spending in the book is achievable with £18 million left over, even on the basis of conservatively estimated revenue.

Mr Speaker, during the last financial year 2016-17, the Government invested around £48 million on capital projects funded from the Improvement and Development Fund. Around £16 million was invested on works and equipment and a further £32 million was invested in specific capital projects. That includes £1.8 million of funding for the University of Gibraltar and £7.3 million on the access road to the Frontier, including the resumption of works on the tunnel. That project, Mr Speaker, was remobilised last year in August and the progress is already quite incredible. I very much look forward to the completion of that tunnel, given the positive effect it will have on traffic on our roads and access to the Airport.

Mr Speaker, there were also further capital projects funded through the Government-owned companies. These include a number of projects that have now been enjoyed by the community as part of their daily life as if they had been there for years, such as the Midtown car park, Charles Bruzon House and Sea Master Lodge, which has recently been handed to tenants.

The expenditure budget of the Improvement and Development Fund for the current financial year 2017-18 is around £65 million. The capital investment in works and equipment is estimated at around £20 million and the provision for investments in other Government projects amounts to £45 million. This includes further funding of £1.4 million for the University of Gibraltar, an investment of £11.8 million in our roads and parking projects, with the ongoing cost of the tunnel across the runway being a key feature; nearly £15 million for the relocation of part of the MoD estate in order to enable the continued release by the MoD of further land and properties for our use by the community – and the demolition of Rooke, as we see, will be useful, Mr Speaker, as usual for the annual fair; almost £1 million for infrastructure works required for the new power station, another huge essential infrastructure development; £1.7 million for infrastructure works for new development and housing projects; £5 million for our ambitious programme of facilities to be ready for the Island Games, but one that will leave a legacy for many years to come; and further provision to complete other ongoing capital projects.

All of these are important projects, Mr Speaker, that are an important part of our delivering our growth as a nation. Nonetheless, as I told the House last year, the Government will keep a close watch on expenditure and on continuing political developments should it become necessary to make the decision to rein in expenditure and not incur costs on new projects, if the circumstances so require.

Mr Speaker, I am delighted to report to the House that the reserves of the Gibraltar Savings Bank have continued to grow and that these reserves stood at £32 million at the close of the last financial year. The reserves of the bank are therefore estimated to grow further to reach over £40 million by the end of the current financial year. It is important that I should remind the House that we inherited the reserves of the Savings Bank at zero from the GSD, which Hon. Members opposite represent. There was literally £1,000 in the kitty.

Minister for Economic Development, Telecommunications and the G (Hon. J J Bossano): One thousand, four hundred and forty two, actually.

Hon. Chief Minister: One thousand, four hundred and forty two pounds were left in the kitty. I think the figure was so painful it is indelibly etched on Mr Bossano's heart!

To have seen that grow to £32 million in just five years is a testament to the hard work and dedication of Joe Bossano and the Financial Secretary, and it will be a fund that grows to £40 million by the end of this financial year. The community must take its hat off to Joe and to Albert for these magnificent results. Well done indeed, Mr Speaker. And what a great rainy day fund they have accumulated for us – and this in addition to a cash reserve in the books this year of £123 million. The Savings Bank Fund remains very much on track, therefore, to reach approximately £70 million by 2019-20.

Together with Community Care, the community will have a total of £300 million saved up in these rainy day funds by 2019-20. And let's be clear, all the funds were at zero when we were elected in 2011 and we started the process of rebuilding the rainy day funds the minute after we were re-elected. It was absolutely right that we should have done so. We are being proved right in having done so. Anyone who was in Government in the administration we took over from would really have a very hard face to pretend that they could preach to anyone about rainy day funds. They were the ones who left Community Care at zero and the Savings Bank Fund at zero – or £1,442 – so we will not take any lessons on rainy day funds from anyone sitting in this House under the GSD banner, Mr Speaker.

The current political circumstances entirely vindicate the view we have taken since we were elected that we should build up these reserves. Already with a total of almost £177 million in four years, Gibraltar now has the largest rainy day fund in its history. Add to that the £123 million in cash and we are already at £300 million, which is the amount of the investment in Gibraltar we have seen via Gibraltar Capital Assets in anticipation of the possible Brexit decision.

Given the circumstances in which we find ourselves and given the baseless criticisms we often hear of the Government from Members opposite, I am sure, Mr Speaker, that the House and all the community will be very happy indeed that our repeated prudence and our consistent caution in how we have calibrated our spending has produced this magnificent rainy day or sovereign wealth fund in the sum of over £175 million and well on target to reach the £300 million envisaged in our Programme for Government, as well as an additional £123 million in cash reserve this year. Mr Speaker, for the GDP I congratulate the community. For the rainy day funds I congratulate Joe Bossano, Albert Mena and the Government as a whole.

The Savings Bank will continue to provide an excellent range of products for our community, as indeed it has done since it was established over 130 years ago. The deposit base of the bank has now grown to over £1.3 billion and it will continue to provide savings products to serve our community and continue to offer special rates of interest to our pensioners. The bank is also continuing its work on improving the services offered to savers by making use of the latest available developments in banking technology. This complements the services that are now being provided to the community by the now well-established Gibraltar International Bank, which include a full range of retail banking services, including mortgage finance to prospective homeowners and commercial lending to our local businesses. The Minister for Financial Services will report on the development of that bank.

Mr Speaker, I will commence now with the process of dealing with the different Departments I have the honour of continuing to have responsibility for.

As announced in last year's address, the Public Sector HR Business Support Unit continues to assist all Government agencies, authorities and Government-owned companies. The unit has introduced a commercial approach to non-Civil Service Human Resources by aligning business objectives with employees and management in designated areas. The unit is championing change and is assessing and anticipates HR-related needs by using industry best practice. It is working in tandem with Minister Bossano as we explore efficiencies and new working methods to improve delivery of service.

Standardising documentation and procedures and streamlining working practices has been at the forefront of the unit. It has delivered tangible results in the approach to the disciplinary process, focusing on preventative measures, mediation and informal resolutions. The core of all industrial relations continues to be channelled through this department, which works directly to me in respect of my responsibility for industrial relations. Our experienced team are now coaching and mentoring junior staff to ensure the long-term sustainability of the service.

The unit currently offers these now centralised services to 14 separate organisations which previously all had their own HR departments or did not have any HR facility. These include the Borders and Coastguard Agency, the Gibraltar Development Corporation, the Port Authority and the London Office to name a few.

Work is currently ongoing on the integration of three additional organisations – the Gibraltar Health Authority, Elderly Residential Services and the Care Agency – which will see the unit's customer base increase to 2,300 employees. This work is scheduled to be completed by the autumn and will coincide with the move into new office accommodation, releasing considerable other office space and allowing us to bring all of these HR practitioners together. This will mean that the HR practitioner to employee ratio will be at an industry standard of 1:100 and all of this will all be achieved within existing resources.

Mr Speaker, in 2015 we introduced a new departmental structure to bring the Customs Department, to which I now turn, in line with modern operational needs. This was always going to be work in progress and in the last 12 months the Collector, in consultation with Government, identified a need to upgrade and restructure using the existing complement, parts of the investigation branch following the introduction of the Proceeds of Crime Act and in advance of an evaluation against the Financial Action Task Force's 40 Recommendations on Anti-Money Laundering and Combating of the Financing of Terrorism. This restructure was fully supported by the GGCA and the staff.

In close consultation with the Collector of Customs, we have relocated the Entry Processing Unit in British Lines Road to a part of the Airport building overlooking the Commercial Gate and the vehicle holding area. In parallel, we have upgraded the ASYCUDA system and the Customs IT equipment so that at present over 76% of all commercial customs declarations are inputted electronically. In parallel, the Collector is working with officials at the Gibraltar Law Offices to streamline all Customs-related legislation to make them easier to follow and consolidated into fewer regulations. Payment of import duties will be via electronic means or in Customs outstations, where they will be credited to traders' prepayment accounts. Mr Speaker, the Collector has involved both the Chamber of Commerce and the Federation of Small Businesses, who welcome this initiative. By 1st August this work will be completed and customs import/export documentation will be 100% paperless.

The Controls section at British Lines responsible for the physical checking of commercial bonds and transit sheds will be relocated to enclosed purpose-built facilities in this financial year. Likewise, Customs House, the Training Wing and Clubhouse in Waterport, the Marine section and the Detector Unit will be relocated and the Collector is working on these exciting projects with the Chief Technical Officer to ensure the best possible location and equipment for all.

The Government continues to be proactive in the fight against drugs and tobacco. The Collector has introduced further conditions to the licences of tobacco wholesalers and retailers. A number of revocations have also taken place for those who have breached conditions of licences. Drugs detections, particularly for class-A drugs, are up and are a credit to the departmental staff in all sections and testament to their close collaboration with the RGP and GDP.

Over the last 12 months, officers from HM Customs and other agencies both on land and at sea have faced many challenges when dealing with drugs and tobacco smugglers. Both His Excellency the Governor and I have personally visited them at their places of work to thank them and recognise the dangerous work they undertake to keep drugs and illicit activity off our land and out of our seas. I once again commit the Government to provide all officers with the necessary equipment which they may require given the increased threatening behaviour of smugglers. We have already worked hard to resource the Department with adequate equipment and vessels. The Collector has already procured some defensive equipment, which has already been issued, especially to officers of the Marine Unit, and others are in the pipeline for the immediate future and for the next 12 months. And the Collector has already been briefed on the areas which the Government wishes to address for the future.

I also wish to thank the families of all officers for the continued support they give those officers, and I add my thanks also to all officers of the Royal Gibraltar Police and their families for the work that they do in their areas of responsibility, which include not just the work against traffickers and criminals but also in relation to security matters.

In that respect, Mr Speaker, not only have we spent large amounts on resources like new marine assets and new weapons for our law enforcement agencies, as well as additional training, we have added complement also. As a comparison of our investment in security and in our investment in Police and Customs, the two heads combined attracted £15 million of resources in the last financial year. Members of the GSD were in Government; this year the budget is at £26 million.

I now report on my responsibilities as Chairman of the Board of the Borders and Coastguard Agency, yet another of this Government's agencies that continues to strive to ensure it provides the best service possible to the public.

Our border may well be small but it is very busy with over 12 million people crossing it last year via the land Frontier, the Airport, our Port and marinas. Mr Speaker, our borders are open for business, open for tourism, open for legitimate travellers and we welcome them, but we are closed to terrorists, closed to drug smugglers and closed to anyone else who seeks to break our laws. It is the BCA, together with its law enforcement partners, that ensure that we keep out those who we would rather not see in Gibraltar. It may be of interest to this House to learn – and given events elsewhere, somewhat reassuring – that over the past year the Agency has refused entry to some 40,000 people, many because they arrive at our borders improperly documented and some because we would rather not see them in Gibraltar.

Mr Speaker, it is unfortunate but indeed a fact that we live in a world where the threat of terrorism is all too real. The very recent attacks in London and Manchester have highlighted that it is indeed a great concern, and as such there is a real need for a robust security posture. The Agency's approach to security is measured and flexible; and, taking its direction from the Gibraltar Contingency Council and working closely with the RGP, it is kept under close and constant review.

The Agency's work at our borders has over the last year led to a number of successful RGP and Customs arrests and prosecutions. Mr Speaker, you may well remember that only recently the Agency was involved with the foiling of a child abduction case when a foreign national tried to transit through Gibraltar to Morocco with a child.

In the current climate of heightened security on the one hand and of politics in general but of Brexit in particular on the other, the spotlight on our borders, and by default on the BCA, is intense and the work they do is challenging, having to balance the very real need for security

1005 against the equally important need for a smooth-flowing border. They perform their duties professionally and diligently and pride themselves in trying very hard to have a measured and balanced approach to their operation.

1010 Mr Speaker, the redrafting of the Immigration, Asylum and Refugee Act 1962 is progressing well and the Government will be in a position to bring the final version to the House very soon. The new Act recognises the professional development and maturity of the Agency and places additional responsibility on the BCA, making it the focal point and leading Gibraltar authority for a more centralised immigration service in Gibraltar.

1015 Only recently, the responsibility for authorising and issuing visas and visa waivers has been transferred from the Civil Status and Registration Office to the BCA, as we believe that by the nature of their deployment at our entry points it affords them the capability to deal with issues swiftly and thus facilitate a faster and more efficient process and service to our public.

The Tourist Visa Waiver initiative continues to be a great success and I repeat, as I have said every year since we introduced it, that the Government continues to be very proud of how very successful this initiative has been, which has seen over 14,100 visitors who would otherwise not have been able to visit Gibraltar to do so last year alone.

1020 Mr Speaker, this Government continues to recognise that it is only by investing in our employees and working closely with the unions that we can guarantee the service we seek to deliver to our public. Together with the Agency's management, the Government has continued to work very closely with both Unite the Union and the GGCA to ensure the maintenance of good working practices and conditions. We have recently revised and improved the existing
1025 Collective Agreement, addressing outstanding issues raised by both unions and management alike, and I am very confident we will be in a position to sign these changes very soon. In addition, and having listened to proposals from the staff, the Agency is in the process of introducing a new uniform which will prove more practical and versatile.

1030 Mr Speaker, this Government has a track record of recognising the benefits of investing in all of our employees and indeed in training and we will continue to do so in the Borders and Coastguard Agency because the Agency continues to be subjected to thorough and exhaustive inspections by the Civil Aviation Authority at the Airport and by the UK Department of Transport at the Port. These inspections ensure compliance with Her Majesty's Government and EU
1035 legislation and the successful outcome of these inspections provides Gibraltar with the necessary credentials to successfully market our Airport and Port internationally.

Finally, Mr Speaker, this Government has been pleased to announce the increase in the number of flights this year, which has exceeded all records. This corresponding increase in passenger numbers requiring processing will provide additional challenges for the men and women of the BCA who continue to work tirelessly to keep Gibraltar open for business.

1040 From this House to the men and women of the Borders and Coastguard Agency: thank you for your work and well done.

1045 Mr Speaker, in relation to the Civil Service and in line with our manifesto commitments, a dedicated Training and Development Unit was established in February 2016 under the direct supervision of the Human Resources Manager and from the existing complement of the Human Resources Department. The Training and Development Unit ensures that all officers have the necessary skill, knowledge and experience to enable and empower them to contribute to the best of their abilities to the public service and its customers throughout their service and career from recruitment to retirement.

1050 Since the unit's launch, over a thousand training opportunities in fields such as policies and procedures have been designed and delivered internally by civil servants who have qualified in trainer training, and in a wide range of management skills by external recognised professional providers. It is envisaged that a further 1,100 training opportunities will be offered during this financial year.

1055 Over the last couple of years the Human Resources Department has also moved towards professionalising their officers, with most of the Department's team having qualified up to

Level 3 in Human Resources Practitioner training with the Chartered Institute of Personnel and Development.

In addition to its customary participation in the biennial Careers Fair, the Department held its first Retirement Fair during this last financial year. The successful outcome has led to it now becoming an annual event aimed at informing civil servants of all aspects of the retirement process. Officers attending are offered concrete guidance on all the administrative steps in the process together with specialist advice not only on the all-important financial implications of retirement but also on matters relating to personal well-being. This process is also designed to ensure that there is better succession planning in the service and less need in future to re-engage retired civil servants, a practice that we have considerably reduced since taking office.

Additionally, huge progress has been made in relation to the new Civil Service Code in order to replace General Orders, which the Government expects will be in place by the end of the financial year.

In respect of the Civil Status and Registration Office, Mr Speaker, I am happy to report that they continue to provide all services relating to citizenship, registration of births, deaths and marriages, and to deal with related civil status issues. I am happy to report that a new Head of the CSRO has now been appointed and he has been charged with reviewing and evaluating current practices and procedures with the aim of identifying and addressing potential bottlenecks and delays in the system. The new Head of the Department and his staff are also in the process of drafting a series of informative booklets, providing appropriate guidance and information covering all the services currently provided by the Department.

Mr Speaker, I am proud to be able to report that the granting of British Overseas Territories citizenship, or British citizenship, to long-term non-EEA nationals continues, as established when the GLSP-Liberal Alliance came into office in November 2011. As I said in my last budget address to this House, this policy aims to do justice to people who have been part of and have been actively contributing to our community for the better part of their lives. The Citizenship Ceremonies held virtually every month now will attest to my government's commitment to this.

In December 2016, Mr Speaker, this House saw the passing of landmark legislation legalising civil marriage between same-sex partners. The amendment to the Marriage Act means that same-sex couples are afforded exactly the same rights as any other couple already married at the Registry Office. Mr Speaker, as a matter of interest, there have already been a total of 32 same-sex marriages since that law was passed.

Mr Speaker, during the financial year 2016-17 the Income Tax Office has continued its programme aimed at improving the assessment and collection of taxes in Gibraltar. Streamlined efficiencies have led the ITO to remain on track. They proactively manage its refunds programme, implementing measures aimed at reducing delays and the level of refunds due. This is being achieved through the payment of £11.1 million in refunds during the last financial year, which is in excess of the £10 million provided and future budget provision.

The corporate tax yield in the financial year 2016-17 was £135.7 million, representing an increase of 24% over the Government's corporate tax yield in the previous year, an increase of almost a quarter.

Modernisation of systems this year sees the implementation of two major developments which will contribute significantly to the improved administrative efficiency of the Department. The first development, already in progress, is the scanning and digitising of all taxpayers' files and records. All relevant documents and returns are being packaged in appropriate bundles for the scanning phase of this project, leading to a paperless environment and quick electronic access to all the required information.

The second development sees the implementation of a number of filing options that will shortly be made available to corporate taxpayers, including the introduction of machine-readable tax returns using optical character recognition technology, online submission through the use of a dedicated platform, as well as a bulk filing facility for tax practitioners wishing to streamline their filing obligations.

These are the initial stages of a wider and more ambitious plan which envisages the transition of the Income Tax Office to a totally digitised Department through which these facilities can be extended to all taxpayers. In a digital age it is right that we develop a digital tax system, as the Chancellor said in the United Kingdom in the course of their budget recently.

Given the increased focus internationally in tax transparency initiatives and exchange of information, the Income Tax Office is expanding its approach in discharging its duties and functions in compliance with its ever-increasing obligations internationally.

The good news, Mr Speaker, is that as at 31st March 2017 tax and social insurance arrears were 20% lower than on 31st March 2016. This has been as a result of the effective strategy and co-ordination between the Central Arrears Unit and the Income Tax Office. Twenty per cent down – one fifth down, Mr Speaker. Both these departments have been working together and continue to work closely with the aim of ensuring that all taxpayers comply with their obligations and pay their taxes on time. I congratulate them on their diligence in this respect. Payment of taxes and social insurance contributions is not a choice and it is right that everyone should pay, or else those who do are in effect being unfairly treated if the system does not chase and enforce against those who do not.

As part of the recovery strategy the Commissioner has published a name and shame list in the *Gibraltar Gazette* setting out the names of defaulting employers. The name and shame published details of self-employed individuals and companies is a consequence of the provisions introduced into the Income Tax Act 2010 empowering the Commissioner to do so. Mr Speaker, new and additional provisions are also being introduced to extend these legislative measures to social insurance and also to allow the Commissioner to publish the list in any newspaper circulating Gibraltar. Advertising of important tax reminders in the local press has also assisted in ensuring greater compliance across the entire spectrum of taxpayers.

Mr Speaker, the issue of mounting tax rebates dates back many years to 2007 when two events took place, caused by a change of policy by the GSD that started to see an accumulation of the amounts due to tax payers. The first was a change in the charging to tax of pensions. What happened is that this income was exempted but pensioners took some time to change their arrangements, meaning that the amount due to them increased. Around the same time, the GIBs tax system was introduced with its policy of always favouring the taxpayer, irrespective of the system they chose. The additional work understandably delayed computations and the inadequacy of the provisions started stacking up an arrears issue under the GSD, which we inherited. Indeed, the rebate arrears issue, far from leading to any undermining of our declared surpluses, could actually turn into questions about the surpluses declared by the GSD.

But faced with the accumulation of rebates, Sir Peter Caruana, the man that the Leader of the Opposition has repeatedly said he considers to be the greatest Gibraltarian of all time, took the opportunity to increase his administration's estimate for tax refunds from £20,000 a year to £5 million in 2011. Some might think that was a debateable decision in an election year. A 250-fold increase by the GSD in moneys to be paid to taxpayers in an election year might actually be something that the Commonwealth Parliamentary Association might want to say something about. Indeed, the increase was not initially disclosed during Sir Peter's budget address that year. In fact, it was only revealed as a result of Joe Bossano's right of reply and as a direct request for clarification by him. The increase was not because the tax refunds in the previous year were down to only £20,000. No. It was because previous income tax receipts had been shown net of these refunds. That is an important point for the Leader of the Opposition to listen to, Mr Speaker: previous income tax receipts had been show net of refunds. That is to say Sir Peter did not show these figures for many years, allowing the GSD to hide the amount of rebates due – the very lack of transparency I am now being accused of by the GSD itself. You could not make this up. The previous receipts had included the estimated tax revenue less the estimated amount of tax refunds to be made from the revenue. This mechanism allowed Sir Peter to stop making repayments if the figures became too large and affected his revenue instead.

Really, that the Opposition has the audacity to now raise this shows how little homework and research they have done when coming to these debates in preparation. They accuse us of lack of transparency when over 15 of his 16 years Sir Peter masked the amounts due in the rebates. Go figure. And let's be clear: he only grossed things up not out of some Damascene conversion to transparency or because someone pointed out that it made sense, no, he did so because he did not want to come to Parliament yet again to have to change his brilliant debt ceiling formula, which as Hon. Members will know, he had already had to change twice because he was hitting the ceiling of debt. He was looking for anything that would provide some extra headroom for additional borrowing. This change in approach did exactly that, Mr Speaker. In other words, tax receipts that would otherwise have been netted were grossed, this meaning that income was recorded as higher and Gibraltar could borrow more. That is what they were up to, Mr Speaker. So before April 2011 the books would show a total estimated tax revenue that would have been reduced by anticipated tax refunds. After the GSD reforms of April 2011, the total estimated tax revenue, without any deductions for tax refunds, and the total estimated tax refunds for that revenue would be stated separately. It is clear that it was this transition to the Gross Income Based System that catapulted tax rebates from an average of £3 million a year to between £6 million and £7 million per annum, most of which of course walks across the Frontier, Mr Speaker.

So, knowing this in 2007, how come the greatest Gibraltarian of all time only provided £5m for refunds in 2011? Perish the thought, Mr Speaker, that the GSD was keeping taxpayers' money, as they now liberally accuse us of doing. I suppose, like everything, it is okay when the GSD do it but a crime punishable with flogging when anybody else does it.

So I will let taxpayers be the judge who is prudent and who plays fast and loose with their money. If you know you are storing up a problem at the rate of between £6 million and £7 million per annum, who is more prudent: the administration that provides £5 million to repay or the one that provides £10 million to repay? In fact, we paid £11.1 million this year, Mr Speaker.

Given that Mr Clinton is allegedly quick with numbers, perhaps he can tell us what he thinks during the course of his speech, given that he is the one who shadows me on public finances, a responsibility that the Hon. Mr Feetham has been the first Leader of the Opposition in the history of the Parliament to forsake.

In essence, my administration inherited a tax refund policy of the GSD's making that, for the first time ever, set a yearly tax rebate budget of £5 million. Let's be clear, Mr Speaker: they capped it themselves for the first time. They introduced the cap.

Since taking office, we have progressively increased the cap to £10 million that it is today, although last year we budgeted £10 million and we paid £11.1 million. We are in effect providing double for refunds than they did: double the amount provided by the Government of which Mr Feetham was a member – and he still tries to criticise us. It was the Government of which he was a member that introduced the cap on rebates to taxpayers. I hope he is understanding the point before he gets up and makes a fool of himself. I think you referred to a similar attitude in another context during question time as *caradura*, Mr Speaker: *caradura* indeed.

Since taking office we have reported solid, steady and reliable economic growth producing more jobs. More jobs means more taxpayers. The taxpayer base is now 37,000 people from 31,335. Higher wages have become the norm across the board. So, whilst benefiting from greater tax revenue, we have cautiously planned for a proportionate increase in tax rebates, and what's more, we have kept to the same ratio against income which the GSD had.

You see, Mr Speaker, what we have been able to work out in respect of the gross tax yield in 2011, at £122.5 million, when the new tax rebate policy was introduced, is that if we compare this against the cumulative refunds that would have been due as at 2011, a figure of £22.7 million – we appreciate that this is a calculation that could not have been done at the time because of the delay of making assessments, but it is one that we have been able to do now – we get a figure of rebates to gross tax yield of 19%.

Mr Speaker, they did not do that exercise and the problem is that the GSD started to operate what is clearly an ostrich policy. They reckoned that just because they did not work something out it was not owed. Hence they did not alight on the extent of the problems of their own making with arrears, which they were quick to chastise us for.

1215 Today, our gross tax yield stands at £154.8 million and our cumulative refunds due at £29.1 million, taking into account the amounts we calculate are due now, including up to the most recent tax year, by bringing assessments up to date and doing a little extra work to estimate the most recent years also. We, Mr Speaker are not ostriches. It is not prudent or cautious to be an ostrich.

1220 So, Mr Speaker, I can report to the House today that the proportion of tax rebates that are outstanding today, as measured against our tax revenue, is exactly the same ratio, 19%, that had been established by the GSD Government of which Mr Feetham was, as he likes to say sometimes, de facto Deputy Chief Minister, based at No. 6 Convent Place, working directly to Sir Peter Caruana.

1225 That is not to say, Mr Speaker, that that is right – I want to ensure that we catch up both with what people owe the Government and with what we owe people – but it should put paid to the incessant criticism that things were somehow better in their day. Things were exactly the same in their day.

1230 Also, at £10 million a year we should start making inroads into the problem quicker than at £5 million a year, which is what they provided for when they introduced the cap into rebates.

But our policy on tax refunds will go further than that, Mr Speaker. We accept that tax refunds are dynamic in their nature. Our policy, as I announce it here today, is to eliminate tax refunds cautiously and fairly. We are committed to increasing the £10 million budget next year, and if there need to be any further increases beyond next year to close the gap, then we will do so – we might even require supplementary appropriation for the purpose, Mr Speaker – because we have stuck to our economic plan and we can therefore deliver.

1240 Mr Speaker, Members opposite have had the audacity to accuse me of playing fast and loose with transparency and accountability by withholding tax refunds. The reality could not be further from the truth. They have been fast and foolish to criticise a policy that was actually established by them and is a direct result of one of the flagship legislative amendments introduced by their former, recently beloved, party leader. Any attempt, therefore, to discredit our surplus is therefore simple nonsense as by comparison such an approach would undermine their own historic position. It also fails to account for the £28 million that is owed to the Income Tax Office by taxpayers in unpaid income tax and social insurance which would net off against the amount owed to the Government, leaving only £1 million to account for.

1250 So, Mr Speaker, on the tax rebate argument any attempt to discredit Government policy produces a slam-dunk own goal against the GSD. Judged not against their words but against their actions and their record, Members opposite have not one leg to stand on. But I do appreciate, Mr Speaker, that the hon. Gentleman opposite has come with a written speech and he has been working on this fatally flawed rebate argument for months now, so I do not expect that he will abandon it, although as he reads it he will, no doubt, feel the legitimacy of it flowing away from it as a result of the information I have provided in the House today. I do feel for him, but I will encourage him and Mr Clinton to read their no doubt carefully crafted tax rebate versus surplus section, despite the fact that it is now logically discredited.

1255 Mr Speaker, I now turn to the specific Budget measures for 2017.

For the differing purposes I will refer to as I explain each one, the following changes in import duty will be introduced with immediate effect.

In order to standardise with other high street products, import duty on handbags is reduced from 6% to 3%.

1260 Import duty on jewellery and imitation jewellery is reduced from 4.5% to 3%.

Mr Speaker, for reasons entirely unrelated to the good news in my own family, but to keep our own traders competitive, import duty on children's prams is reduced to zero.

In line with the Government's commitment to the promotion of healthier lifestyles and making involvement in sport more accessible ahead of the 2019 Island Games, wearable battery operated devices, commonly known as sports trackers or watches, have their duty reduced from 12% to 3%, which brings the duty into line with that paid for wristwatches.

Duty is reduced to zero on sports or dance apparel imported by or for a sporting or dance association, including, for example, rhythmic gymnastics or Members opposite when they try and do the shuffle during the course of this debate!

Indoor sporting equipment such as that used for billiards, pool, darts and chess is also reduced to zero.

In support of this Government's continuing efforts to address the health problems arising from tobacco and smoking generally, a number of tobacco-related import duty increases will take effect from midnight last night.

First, the import duty on waterpipe tobacco increases from the current £3 per kilo by £12 per kilo to £15 per kilo. This represents a fivefold increase in import duty on this line commodity and reflects a huge increase observed by the Collector of Customs in respect of the importation of this particular commodity. Last year I imposed a threefold increase in the duty payable on this commodity from 12% ad-valorem duty to £3 per kilo. In effect, therefore, in the space of 12 months we have raised the duty 15-fold on this type of tobacco. Given the scale of the duty increase imposed today, if the Collector of Customs is satisfied that merchandise can be demonstrated to have been ordered before this announcement and the delivery stage is engaged, it will be accepted on payment of a duty of £3 per kilo for that particular consignment only.

Mr Speaker, many tobacco manufacturers are working on alternatives to burning tobacco. Some products I have been presented with recently by our tobacco importers and the representatives of the tobacco majors involve heating tobacco instead of burning it. The new smokeless heated tobacco products in the market will use electrical heat to create a vapour but without reaching the temperature required to cause combustion. The producers of these products claim that they are less harmful than cigarettes because they generate no combustion and no smoke. According to the producers' laboratory tests, their aerosols allegedly contain significantly lower levels of harmful and potentially harmful constituents and is much less toxic than cigarette smoke. Indeed, according to the producers' air-quality tests, the aerosol emitted does not negatively impact indoor air quality. These are new products and therefore none of this is yet tested or clear. It is true, however, that some data published so far suggests that these products are likely to offer reduced toxic exposures of at least 90% relative to smoking. The World Health Organisation estimates that there will be over a billion smokers by 2025. With so many choosing to smoke it makes sense that we should promote less harmful alternatives to smoking. Mr Speaker, import duty on refills for tobacco products designed to be heated and not burnt is therefore set at £45 per kilo of tobacco content. I emphasise, however, that these are new products and that we will assess how duty should develop in respect of taxing them as their take-up develops.

Mr Speaker, recent data shows diesel fuel, even in modern vehicles, can emit more toxic pollution than was previously thought. The reporting of the manner in which well-known motor vehicle marques have published misleading information about the efficiency of diesel engines has once again brought this issue into sharp focus. In line, therefore, with our policies on the promotion of the protection of the environment and the promotion of better air quality, the Government must act to promote less use of diesel automotive fuels by increasing the duty on such fuels. Accordingly, in respect of importations occurring as from midnight last night, the duty on ordinary diesel automotive fuel will be increased by 3p litre and the duty on premium diesel automotive fuel will be increased by 1p per litre. Mr Speaker, I drive a diesel vehicle and I confess I have not filled the tank for a month.

Mr Speaker, the purchase of electric forklift trucks already attracts zero duty but it attracts no additional benefits. As from today, any electric forklift will attract the same cashback as for any

1315 electric road vehicle, and the cashback for full electric vehicles that have no element of propulsion by a combustion engine is increased by a further £750. This will not apply to hybrids, in respect of which the position remains unchanged.

Additionally, Mr Speaker, all amounts spent on the Governments Redibikes scheme will be tax deductible.

1320 The duty on plastic bags is doubled, from 5p to 10p.

As a further environmental protection measure, the deductions which apply to residential premises in respect of the installation of solar power will also apply to commercial premises.

1325 Mr Speaker, Gibraltar needs to be flexible over the coming years and look at new forms of investment. We are seen by many as a place to hold assets securely with the benefit of dispute resolution subject to the common law and no capital gains tax.

1330 We are already seeing interest with storing valuables here, with the wine storage project being developed and the number of data centres that exist in Gibraltar. It is for that reason that the Government reduced the duty on works of art to zero two years ago and introduced a ceiling for vehicle duty of £50,000. In order to further promote the use of Gibraltar as a jurisdiction for the ownership and secure storage of high-value items, as from midnight tonight the duty on classic vehicles is reduced to zero. For the purposes of this measure a classic car will be interpreted as defined by EU Directive 2014/45/EU as a vehicle of historical interest that is no longer in production and is over 30 years old.

1335 Additionally, gold bullion is presently a restricted item which requires an import licence from the Collector of Customs. It is presently taxed at 6%. As currencies and stock markets have fluctuated, there has been a move to gold in many jurisdictions. With an import duty of 6%, Gibraltar has priced itself out of that market. Again, as we seek to develop a business in our tunnels for storage of high-value goods that are as safe as the Rock of Gibraltar, we must ensure that the importation of such items into Gibraltar is not made unattractive. Consequently, the
1340 import duty on gold bullion will now be decreased by 5% to 1%.

1345 Additionally, the Government has been approached by traders to create a mechanism to allow for the importation into bond of very high value retail items sent to retailers on consignment – that is to say, items which the trader will only pay for if he sells the product in question. Many of these items are of a very high value and are unique. Traders would find it difficult to import such items to show if they had to pay duty on them before they are sold. As a result, in consultation with the Collector of Customs, the Government will design a scheme for importations of very high value items – that is to say, items to retail over £25,000 – where import duty will not be payable on importation but upon the sale of the item. In effect, traders will be able to hold a select number of items on show in retail premises on bond terms. This
1350 trade will be limited to Main Street, to premises approved by the Collector of Customs and each item so imported will require a specific permission from the Collector. The trader will have to demonstrate that the item is displayed for sale and will be required to communicate the actual sale to the Collector of Customs within two hours of the sale and the relevant duty paid within 48 hours. Items imported by a trader, or any trading entity in the same or a related group, in this
1355 way will have to be re-exported or the duty paid within six months of their first importation, and an item exported if it is not sold will not be able to benefit from the application of this scheme again for another 24 months.

1360 Mr Speaker, the Government has reduced import duty on motor vessels to assist the many in our community who were purchasing small boats for the magnificent new Small Boats Marina in the Mid Harbour basin. Recent news has highlighted the risk jet-skis pose in the hands of inexperienced users. During Question Time last week the Minister for the Port, the Hon. Gilbert Licudi, explained to the hon. Lady opposite that we had already introduced competency and insurance requirements for jet-skis and that following a recommendation from the Small Vessels Advisory Board he would be introducing an insurance requirement for all motorised vessels.
1365 Additionally, from the Ministry of Finance measures will also now be taken by the introduction of an import duty on jet-skis, which will increase from zero to 20%.

Mr Speaker, in order to assist with the cost of doing business in Gibraltar, electricity and water charges will again not be increased this year, despite the cost to the Government of providing these public utilities. It is important that business, and in particular business representative organisations, value this important concession. Given that inflation since January 2012, the month after we were elected at the beginning of this financial year, to 1st April has amounted to 6.3%, that is the discount in real terms that businesses have already had since our election against the amounts at which water and electricity are charged. The taxpayer is in effect subsidising the cost of doing business in Gibraltar to a great extent, but we do so in order to keep Gibraltar an attractive place to do business. This does not lessen the burden on the taxpayer though, and it is important that it be fully understood by those who are taking the benefit of the subsidy. The subsidy applies as much to residential users as to business users, and it is important that everyone understands that they are already paying only about one third of the cost of generation of water and electricity.

General rates payable by businesses will also remain unchanged and discounts for the early payment of rates will continue to apply, unchanged by the Government. As from the next quarter, rates will not be charged on offices from the date of certificate of fitness but from date of first occupation when they have just been completed.

Mr Speaker, in pursuance of the Government's continued commitment to reduce the level of personal taxation, especially for the lower paid members of our community, with effect from 1st July 2017 the exemption from the tax system will increase. Accordingly, taxpayers with assessable income of £11,150 or less will be brought out of the taxation system altogether and will pay no income tax at all. That is an increase in that exemption of £100, Mr Speaker. This applies to taxpayers in both the Allowance Based System and the Gross Income Based System.

In accordance with our manifesto commitment, taxpayers under the Allowance Based System will benefit from an increase in their personal allowances in line with inflation. With effect from 1st July 2017, therefore, the following allowances will increase as follows: the Personal Allowance will go from £3,215 to £3,300; the Spouse or Civil Partners Allowance will go from £3,215 to £3,300; the One Parent Family Allowance from £5,290 to £5,435; the Nursery Allowance from £5,025 to £5,160; the Child Allowance from £1,105 to £1,135; the Child Studying Abroad Allowance from £1,255 to £1,290; the Dependant Relatives Allowance where the relative is resident in Gibraltar from £305 to £315, and where the relative is not resident in Gibraltar from £205 to £210; the Disabled Individual Allowance from £9,040 to £9,285; the Blind Person's Allowance from £5,020 to £5,155; the Medical Insurance Allowance from £5,020 to £5,155.

Mr Speaker, as stated by the Government in March, when social insurance was increased for the first time in seven years, the Government is committed to reform of the social insurance system. The Government continues to tread a cautious path on this reform, bearing in mind that the options available to Government will also be greater once the UK and Gibraltar have left the EU, although I caveat that with the things I said earlier in my speech, Mr Speaker.

Government continues to engage with the Chamber of Commerce and Federation of Small Businesses to appraise them of these matters and welcomes their understanding of the need for the increase in social insurance and support for the introduction of e-services across Government and has also informed the unions of the steps being taken. There will not be a further increase in social insurance in the current calendar or financial year.

Mr Speaker, nonetheless, under Gibraltar law the provisions provide that young employees under the age of 20, whilst still paying social insurance contributions do not have these counted towards their pensions. These start accruing only once they have reached the age of 20. This provision will be eliminated, given it is explicitly based on age discrimination, Mr Speaker. In line with the position in the United Kingdom, social insurance contributions will accrue for the benefit of the contributor starting at the age of 15. I thank Unite the Union for bringing that discrimination to my attention.

Additionally, working with Unite the Union, we will implement sick leave discount principles for all public sector workers with cancer-related illnesses and in respect of bereavements as well as the annual leave aspects of some employees.

1420 Also after consultation with Unite, the rule in the Pensions Act that saw non-industrial workers able to retire at the age of 55, whereas industrial workers would have to retire at the age of 60, will be removed to allow those who could only retire at 60 to retire at 55 if they agree to take a commutation of the pension entitlement.

1425 Mr Speaker, old age pensions will increase this year in line with the rate of inflation of 2.7%, so that the single rate for old age pension would increase from £440.54 by £11.90 to £452.44 and the couple rate would increase from £660.85 by £17.85 to £678.70. The dependant rate will grow from £220.31 by £5.95 to £226.26 and the same cash differentials will be maintained with the Minimum Income Guarantee, as in previous years.

1430 In line with our manifesto commitment and the three-year pay deal agreed, the general level of public sector pay will rise by 2.75% with effect from 1st August this year.

And, Mr Speaker, in line with this Government's commitment to keep the national minimum wage under constant review and to increase this by at least the rate of inflation over our term in office, the statutory minimum wage will increase from £6.28 to £6.45 per hour with effect from 1st August 2017. This represents an increase of 17 pence an hour or around 2.7%, which is the rate of inflation. Additionally, the Government will provide the resources necessary to investigate any breaches of the minimum wage and the registration requirements for workers in our laws. With the benefit of that increase on the minimum wage those who are lowest paid in our community will have seen the GSLP-Liberal Government increase their salaries just shy of 20% in the five and a half years we have been in office, or up by £1.05 an hour. We are justly proud of our record in the increase in the minimum wage.

1440 Mr Speaker, we have commenced the process of consultation with Unite the Union, the Federation of Small Businesses and the Chamber of Commerce in respect of the potential introduction in Gibraltar of pensions in the private sector. Last year I announced that, given the result of the Brexit referendum, we would not be progressing that process in the immediate past financial year whilst we observed the effects on the economy of the result of the vote of the British people. This year, Mr Speaker, as we can see that Gibraltar continues to grow, it is right we should unpause that process and continue the consultation with a view to implementing the introduction of pensions for private sector employees. The consultation will continue to include the unions, the Chamber and the Federation.

1450 Mr Speaker, additionally, I have agreed with the Chairman of the Trustees of Community Care to meet with the directors in coming weeks to hear from them what they propose to do and announce in respect of the provision of additional minimum income guarantees for some private sector pensioners and divorced women pensioners. I look forward to meeting with him to understand what the independent trustees of Community Care propose.

1455 Pensioners from the joint venture utility companies are in discussions with Government on ensuring that they have not lost out on pension entitlement as a result of having left the Civil Service in the late 1980s and early 1990s. The Financial Secretary is doing a very detailed analytical exercise to share with them to ensure we see the reality of their situation and compensate any quantifiable actual loss. I expect we will be in a position to finalise that work in this financial year, Mr Speaker.

1460 Also in relation to pensioners, the Government has been approached by a number of those entitled to re-enter the Widows and Orphans Pension Scheme who were not married to their current partners at the time that they retired. The law states that any marriage of the pensioner whose rights would be assigned to a widow or orphan who was not married by the time he retired would not be eligible to entitlement. This is grossly unfair and is based on an old law which has not kept pace with modern life. It is, in any event, an issue that affects only a handful of those who would re-enter the old WOPS scheme. The law will therefore be changed to allow

for marriages after the retirement of the contributor if he opts back into the scheme to count also.

1470 The widow to re-enter WOPS ... Sorry, the window to re-enter the WOPS scheme (*Laughter*) – yes, I hope people understood that slip, Mr Speaker – will be open again, from midnight tonight until 30th September 2017, to allow those who have previously been denied membership on the basis of the application of this aspect of the law to apply.

1475 Mr Speaker, in the context of everything I have said already about pensioners and students, it is important that we should reflect as a community that Gibraltarian pensioners are amongst the best well off in Europe and probably the world. It is important that we recognise how well off we are in the context of the uncertainties that Brexit may bring.

Mr Speaker it is my responsibility, as Minister of Finance and Chief Minister, to deliver a full address that deals in detail with all areas of revenue and expenditure. It is for that reason that this speech is a long one and the Estimates Book is a full set of information in respect of every area of Government revenue and expenditure. I nonetheless want to ensure that our Budget is more accessible and that more of our fellow citizens understand what we receive in revenue and what we spend on. This is a point that the hon. Lady has sometimes made also. For that reason, Mr Speaker, and in line with my Government's commitment to transparency, we have prepared a shorter presentation of the Budget to assist viewers to follow these debates and discussions. The presentation will be available online at:

https://www.gibraltar.gov.gi/new/sites/default/files/HMGoG_Documents/Budget%202017-18%20WEB.PDF .

1490 It will be tweeted and it will be made available on social media. The presentation is not a substitute for reviewing the Estimates Book but rather an attempt to connect the viewer with where the money this Government raises is coming from and where it is being spent.

Preparing for this debate, Mr Speaker, is challenging for all Members of the House. We all want to do our best in this important Second Reading, which allows us to set out our policies and views in respect of our respective areas of political responsibility.

1495 I want to thank all the staff of No. 6 Convent Place for their assistance in the preparation for this debate and throughout the year. They are the ones who keep a smile on my face at work every day of the year, whatever the headlines in the international press may say. The Hon. the Leader of the Opposition does a good job of keeping a smile on my face with the national headlines, Mr Speaker.

1500 All of the public servants of Gibraltar have worked hard in their respective areas of responsibility to deliver these results. I thank all of them: the civil servants, the employees of the Development Corporation, the Government agencies and authorities and the employees of the Government companies. A sincere thank you on behalf of the Government.

1505 And I want to thank all the Ministers in the Government for their endeavour in the challenging past 12 months. This Government is a team that only works because we work together. Thank you to all of you. We started this process as a group of excited friends with a common set of objectives and we continue in that way.

1510 This weekend I have broken my preparation for this debate to celebrate the end of Ramadan with our magnificent Muslim community. I wish a great Eid al-Fitr to all our Muslims today, the last day of Ramadan. I enjoyed greatly the events at the Ibrahim-al-Ibrahim Mosque with our Imams and with Ali Douissi of the Moroccan Community Association. We were joined by the Hon. Mr Reyes on the opposite benches and I think we all enjoyed a magnificent meal on Saturday night, Mr Speaker. What I enjoyed most was the presence at the mosque of Hindus, Jews and Christians alongside the Muslim members of our community for the breaking of the fast. That moment will be indelibly etched in my mind as an image of the Gibraltar that we all love; the Gibraltar that Momy Levy used to rave and evangelize about; the Gibraltar that we know and love and for which we work so hard on this side of the House.

It is true that we have a jewel of a nation on our hands, a rare jewel that we must treasure and nurture, and so today's debate is not about values or about religion. Former Vice-President

1520 Joe Biden is reputed to have said, 'Don't tell me what you value, show me your budget, and I'll
tell you what you value,' because a budget is not just a collection of numbers, but an expression
of our underlying values and our current and long-term aspirations as a people. This Budget is
therefore calibrated not to discriminate. It is calibrated to help the aged and the disabled and
1525 the young as well as the capitalist businessman and the worker he employs, for we must nurture
our businesses in order to nurture our workers and in that way enjoy the social peace that we
are basking in today.

This weekend we have also seen Team Gibraltar prosper and succeed in the Island Games in
Gotland. The Minister for Sport has been with the team this weekend and is back in the House
today for the debate. He will return to Gotland at the end of the proceedings of the House this
1530 week. The next Games will be in Gibraltar and we will be ready for them, Mr Speaker. From the
whole Parliament the very best of luck to all of Team Gibraltar in Gotland this week and
congratulations to all those of our athletes who are already medal winners: Harry and Tom, who
took gold in clay pigeon shooting; Wayne, Stephanie and Mairead, the latter of whom is just 14,
who took bronze in the team air rifle; and our triathlon team, who also took bronze in their
1535 event.

Mr Speaker, the Gibraltarians are a strong, resilient and robust people. Look at the
magnificent efforts some of our people make for worthy causes that they hold dear. What
makes a man swim across a busy strait like the Strait of Gibraltar; and then, when he reaches
Tangier on the other side, on the distant shore, what makes him swim straight back? What
1540 makes a man walk to Jerusalem, like Mark Randall did? What makes a man and a woman swim
in the sea every single day, come rain or shine, warm or cold, like Stuart Felice and Debbie Ruiz
are doing every day? What makes a team of men get on their bikes in London and not get off
until they have cycled 2,400 kilometres to Gibraltar? It is what makes us Gibraltarians, Mr
Speaker. The pursuit of a just cause. Courage. Grit. Determination. Rock Scorpions every single
1545 one of them. Heroes raising funds for those worse off than themselves. Champions, Mr Speaker.
The Government will match the amounts each of the ones I have mentioned have raised at the
end of their challenges for the causes they have sponsored.

Mr Speaker, prudence, caution, optimism and investment – those are the watchwords with
which this Budget has been laced. We must be prudent, but the results of the year just past to
1550 date give us good reason for optimism. That is why with caution we must continue to invest in
our community. If we have the income, as we do, we cannot fail to build much needed new
schools because Britain is leaving the European Union – because what is the meaning of
prudence and caution in relation to budgetary discipline?

Prudence is not an entreaty to stop all spending. That is suicide in economic terms that would
1555 lead to a slowdown and a recession.

Prudence is not austerity, as we hear others in this House advocate – that is cutting spending
and cutting public services.

Prudence is also not a balanced budget, where you spend exactly what your income is.
Prudence is paying for existing public services and seeking to improve them in quantity, in
1560 quality and in efficiency, but doing so within our means – and that is what we are doing.

Prudence is paying for new capital projects in a way that ensures that they are not a drag on
the exchequer but that they provide those new or improved services we want to offer in a way
that does not create new additional costs – and that is what we are doing.

Prudence means putting cash away in rainy day funds for a rainy day – and that is what we
1565 are doing, although we had to start from zero.

Prudence means funding the cost of the companies that the former administration created
and not allowing them to build up deficits, Mr Speaker. That is what we are doing and will not be
deterred from doing, despite having to reconstruct the accounts of the companies because the
government of Members opposite did not maintain them.

1570 That is how this Budget is designed and why spending under each head has been carefully
calculated in keeping with Government policy, so that it is reduced to the level it can be and so

that reducing it any further would logically simply lead to a necessary increase elsewhere. Because prudence means doing all of that *and* having money left over. That is to say, Mr Speaker, prudence is a surplus after pay increases, after new schools, after new sporting facilities and after great musical and cultural events. And that is what we have done and achieved for the past six years and what we will do and achieve for the next three – and that is what this Budget ensures.

You see, Mr Speaker, a Minister for Finance has to see through the prism not just of austerity and saving, not just of protecting our heritage. A Minister for Finance has to balance the wealth of the nation with the health of the nation; the promotion and growth of the nation with saving for the future; the surplus and the reserves and the cost of things versus the value of things. And once that balance is done in the context of these numbers, Mr Speaker, Gibraltar does not need austerity – it needs caution and prudence alongside investment and optimism.

The old St Bernard's School did not need more austerity applied to it. The pupils of that school needed investment to create the new schools they are being taught in today.

The old KGV did not need more austerity applied to it. The patients of that facility required the investment to create Ocean Views.

Laguna and Glacis did not need more austerity. They had had plenty of that, Mr Speaker, under the GSD. What they needed was investment in the environment people are living in – investment in our public services and in our economy which is cautious and carefully calibrated. That is what this Budget delivers.

And so, Mr Speaker, I say to those outside this House: if you own a business, this is a Budget for you; if you employ people, this is a Budget for you; if you work in the public or private sectors, this is a Budget for you; and if you are elderly, a student or a school child, this is a Budget for you. But if you want to cut services to the public, if you want to slash Government investment in Gibraltar and if you want to sow panic for another year, this is not a Budget for you and we are not a Government for you. And if you do not want to work but you can, or if you do not want to pay your fair share though you can, then this is also not a Budget for you either and neither are we a Government for you. For we are a Government for workers and not for skivers. We are a Government for those who invest, not for those who want to suck up without contributing. We are there for those who need our help, not for those who will not get up and help themselves. And we are ready to do our bit and lead this nation.

Mr Speaker, whatever they think about me, Her Majesty's Treasury does not lie and the numbers do not lie. Like everything this Government does, we reflect reality; and as such, the only ring that our people will associate with this Budget is the ring of truth, and Members opposite know that. They know that this is the economy they would like to be reporting on. They should be pleased for Gibraltar and they should be honest and say so. They know that these are the public finances that they would be proud to be presiding over, and they should be honest and say so. They should not talk Gibraltar down when the numbers show that our performance is up. A decade after the financial crisis, one year after the Brexit referendum, we are financially stronger than ever.

That is why this is a Budget that reflects economic performance to celebrate unprecedented investment in sport, unprecedented investment in our schools and education, unprecedented investment in our healthcare and elderly services – the unprecedented investment in public services our nation deserves, all funded from the rising revenue that arises from unprecedented levels of investment in Gibraltar: the prudent management of public finances our nation deserves, Mr Speaker.

This is a historic time in our affairs. It is not a time for political novices, for political apprenticeships or political ambition. It is a time for political leadership. Mr Speaker, the economy is performing well, the public finances are stronger than ever, the nation is on a sound course to continued success. Steady as she goes, Mr Speaker. I commend the Bill to the House.
(Banging on desks)

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

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Hon. D A Feetham: Mr Speaker, I am not sure that I am going to bring a smile to the hon. Gentleman's face with my first contribution during the course of this debate, because it is both unfortunate but very necessary that I bring to the attention of this House that the hon. Gentleman and the Government have turned these annual debates into a farce, and it is a dangerous farce at that.

This book and the annual debate on the numbers it contains can no longer be taken as an authoritative indication of the economic health of this community, and for that reason, for the very first time in six years, the Opposition will be voting against it. (**Hon. Chief Minister:** Excellent.)

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Over the last six years we have seen a systematic destruction of parliamentary governance in Gibraltar and in particular the deliberate disablement of the ability of this Parliament, through this debate and elsewhere, to properly scrutinise our public finances in any meaningful way. The Chief Minister has the dubious distinction of leading a Government that, through the opacity in the way it has chosen to structure the public finances of this community, has made a mockery of these annual debates.

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It is not only about the quality of our democracy and about basic accountability and transparency, it is not just about the questions that the hon. Gentleman refuses to answer about the *Sunborn* loan or the information that we are provided in this House, which turns out to be half-truths or inaccurate. It is much more than that. It is about the ability of this Parliament, and therefore this community, to identify potential financial problems before they arise. And it is self-evident that never has there been a need for that scrutiny like there is today, where we are heading out of Europe and that, whether we like it or not, will involve considerable readjustment to businesses and also social attitude.

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This book, Mr Speaker – these estimates of revenue and expenditure – is only half of the picture of what the Government has directly or indirectly spent, at what cost, and how much it has directly or indirectly borrowed to pay for it all. The very simple reason for that is that the Government has borrowed some £772 million – let me repeat that: £772 million – that we know of, through Government-owned or controlled companies which it has used and continues to use to fund its expenditure, and none of that is reflected in this book that we are debating here today.

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How can anyone – the Chamber of Commerce, the Gibraltar Small Business Federation, the media, the press or anyone else who in a democracy would be expected to comment on the state of our public finances – be able to share that very optimistic picture that the Hon. The Chief Minister paints, when other than the gross debt figure for those Government-owned companies ... We do not know, for example, how much has been spent by those companies, on what that money has been spent, what cash those companies have left at their disposal and therefore what the net debt position of those companies is. How can anyone say they are happy with these figures when the Government is operating a separate set of accounts it is not disclosing and there is no clarity – indeed there is opacity, Mr Speaker – in the way the Government is spending or has spent £772 million, a pot of money in Government-owned companies?

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This is an issue of huge concern for the Opposition, which has become even more concerning post the Brexit referendum, a referendum that we all described in this House as posing an existential threat to our economic model, and today we are asked to believe the statements made by the Hon. the Chief Minister that things could not be better, when we do not know what he is doing or what he has done with £772 million in those Government-owned companies.

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I repeat: this is not just about transparency and accountability. It is about being able to spot emerging or existing economic problems so that they can be dealt with, and that becomes more necessary now there are some very significant curves up ahead for the jurisdiction.

1670 Let me say, Mr Speaker, that I am *proud* of the job that the Opposition has done in being a beacon of democracy in holding the Government to account on these issues, and history will judge. (*Interjections*) History will judge, and our speeches are there as a matter of public record. Whether the same can be said of others, which in a democracy have their own duties to the people of Gibraltar...

1675 Everything that I say today, Mr Speaker, is subject to this overriding and overarching point that I have just made, because they have really turned this debate into a dangerous farce.

I start with an analysis of the public debt position and the role of the Gibraltar Savings Bank. In December 2011 when they won the election there were £27.6 million of debentures and bonds in the Gibraltar Savings Bank. In other words, money borrowed by the Gibraltar Savings Bank from members of the public owed to members of the public was £27.6 million. The total of debentures and bonds issued by the Gibraltar Savings Bank as at 31st March 2017 was £834.5 million. That represents an increase, Mr Speaker, of 3,023% in six years. How on earth the hon. Gentleman can stand there today pokerfaced and say that this is a rainy day fund, a sovereign fund, when ... Anyone who knows about these things can tell the hon. Gentleman that a sovereign fund is a pot of money belonging to the state, when debentures in the sum of £834.5 million is money that the Gibraltar Savings Bank owes members of the public. It is not a rainy day fund; it is a debt owed by the Gibraltar Savings Bank to members of the public.

The reason for that huge increase is that the Government embarked on a process, when they got elected, of shifting debentures issued by the Government directly, which legally counts as public debt, to the GSB, where it does not count as debt of the Government because it is a debt of the Gibraltar Savings Bank.

The Gibraltar Savings Bank, Mr Speaker, is a creature of statute. In simple terms, it is a state-owned savings bank, much like the National Savings and Investments is in the United Kingdom. It is under the management and control of a director, who traditionally has been the Accountant General or the Financial Secretary, the top civil servant heading the Treasury.

This explosion of Gibraltar Savings Bank debentures was, of course, a premeditated plan to allow the Government to use savers' money for Government expenses without the need to increase public debt, particularly as they fought the 2011 election saying that the GSD had been addicted to debt. It was also a way in which the Government, as we will see, could circumvent the legal borrowing limits that were there to prevent a Government from borrowing in a manner that became unaffordable to this community.

The device used by the Government to do that was Credit Finance Company Limited, a company incorporated in 2012, run by public servants and which over a period of time since 2013 has had £400 million of savers' money transferred into it. Credit Finance then proceeded to use the money in order to pay the commuted pensions of civil servants, provide loans to third parties under the direction of the Government, including the *Sunborn* Floating Hotel, and the remainder, some £330 million, was loaned to a Government-owned company called Gibraltar Investment Holdings Limited.

Gibraltar Investment Holdings is, of course, the company that has historically been used by successive governments to fund the capital and cash needs of nearly all Government-owned companies from the Consolidated Fund – in other words, from this book, Mr Speaker. The Government has traditionally injected capital into Gibraltar Holdings Limited and from there it then trickles down into other Government-owned companies – and Minister Bossano has rightly accepted, even when this was denied by the Chief Minister in his New Year's Message in 2014, that the money loaned to Gibraltar Investment Holdings by Credit Finance Company Limited, some £330 million, was being used in order to fund the cashflow requirements of other Government-owned companies and any projects they may have been undertaking on behalf of the Government. That was disputed on countless occasions by the Chief Minister, but in his inimitable style, which I pay tribute to today, the Father of the House came clean and opted to defend the policy instead.

I also have to admire the Hon. Gentleman the Chief Minister, the way he stands up and pokerfaced says to this House that the Government has made a surplus of £75.8 million this year. But of course if the debt in Government-owned companies to the tune of £772 million – that pot of money – is being used to pay for expenditure that is properly the Government's expenditure, and that expenditure is not reflected in these accounts, it is not possible to say that the Government is running the public finances of Gibraltar at a surplus of revenue over expenditure. That is why he does not want a Public Accounts Committee, because he knows that that would give us the ability to ask questions of those public servants running those companies which have within them – or had within them, because we do not know how much has been spent – £772 million.

And it is not an answer, Mr Speaker, to say that the debts of Government-owned companies are not debts of the Government. That may or may not be so from a purely technical legal standpoint, but it is still a debt owed by Gibraltar plc. Are we seriously suggesting that if Gibraltar Investment Holdings Limited, a Government-owned company, ever defaulted, for example, on its debt of £330 million to Credit Finance Company Limited, that the Government would refuse to step in? If those listening to this debate think that I am right and that it is inconceivable that a Government would not step in, should we not be scrutinising how the Government is spending that money, which ultimately is an exposure to the taxpayer of Gibraltar?

The absurdity of the Government's position can be easily tested. The money in the Gibraltar Savings Bank is guaranteed under the Gibraltar Savings Bank Act by the Government, and therefore the taxpayer. So, even if the Government refused to step in to repay any debt that Gibraltar Investment Holdings owes Credit Finance Company Limited because it relied on the principle that Gibraltar Investment Holdings Limited is a separate entity to the Government of Gibraltar, it would have to do so at source because Credit Finance Company Limited would default in its own obligations to the Gibraltar Savings Bank and the Government are guarantors in law of all the moneys in the Gibraltar Savings Bank.

The additional absurdity and artificiality of this convoluted structure, which the Government has set up solely to massage the figures on public debt and expenditure, is that the money loaned by Credit Finance Company Limited to Gibraltar Investment Holdings Ltd is held centrally by the Treasury, i.e. by the Government, with no attempt to segregate it from money owned by the Government directly. Government-owned money and the money held for Government-owned or controlled companies is pooled centrally and, as Minister Bossano explained only last week, is being used whenever it is needed within what he described as 'the empire', by which of course he means the Government and Government-owned companies. So all the money that the Government has and is pooled centrally at Treasury is being used wherever it is needed within the structure of Government, including Government-owned companies.

While the Hon. the Chief Minister latches on to technicalities to support his statement that public debt stands at £442.7 million gross and £319.8 million net, the Opposition continues to remind this Parliament that, post Greece and post the collapse of the financial markets in 2008, countries in Europe are moving towards greater transparency and accountability on the issues of public debt.

In the UK, debentures from the UK National Savings and Investments, the equivalent of the Gibraltar Savings Bank, and the debts of Government-owned companies form part of the UK national debt and it is plainly wrong that we should not do so here in Gibraltar.

The gross debt of this community is an eye-watering £1.2 billion – that we know of, Mr Speaker, and I repeat: that we know of. It is over twice, in gross terms, what the hon. Gentleman has told the House that gross public debt stands at today.

I just ask people to judge me not on my arguments, not on the arguments that I am developing during the course of this debate; I ask them to judge me by the Chief Minister's own statements as Leader of the Opposition in 2011 when, straight after the 2011 budget debate, he went to GSLP headquarters and in a podcast he said this, and I quote:

Hello.

He does the 'hello' well, I have to say. I have to give him credit for that! (*Interjection by Hon. Chief Minister*) (*Laughter*)

Hello, I have just come out of Parliament, where we have been debating the estimates of expenditure; the Budget, in other words. Mr Caruana is pretending that the economy of Gibraltar has never been better, but in fact if you look underneath the surface, if you look beyond the 1% or 2% tax cuts, there is an issue with the economy that I want you to understand.

1775 Pausing there, Mr Speaker, in 2011 he was telling people there was an issue with the economy, and there I was thinking that I was the only treacherous individual in the jurisdiction worthy of capital punishment for my statements on the Budget each year.

But carrying on:

Gross debt – in other words, the amount owed by the Government of Gibraltar – is now up to £480 million. The ceiling is £500 million ... Despite that, Mr Caruana tells us that everything is okay. Well, with a gross debt of £480 million we are talking about every man, woman and child in Gibraltar owing £16,000 to the banks.

1780 Pausing there again, Mr Speaker, I thought that I was the only one as well who would engage in scaremongering the community on the question of the figures, but of course I appear to be in very good company, i.e. the Chief Minister.

Carrying on:

That's an incredibly high level of debt per capita ... Well, the gross debt borrowing limit is £500 million. If you add to the £480 million that we have already borrowed in respect of gross debt the £20 million that Mr Caruana has borrowed from banks using Government buildings which he has put in a company, then you have reached a total of £500 million. That second £20 million, for technical reasons, doesn't count as Government borrowing, but the Government now owes more than the law allows it to owe. The Government now owes £500.2 million.

1785 Mr Speaker, I have to say I have always admired him for it, but only he – nobody else can do it, only he – can stand up in this Parliament and maintain a poker face when he says what he says and what he has said today about public debt.

1790 When he was the Leader of the Opposition and claimed we had just £20 million – not £772 million, £20 million – of debt in Government-owned companies ... And I do not agree that was the true position but I am prepared, for the purposes of this debate, to take his word at its highest, but when he was saying there was £20 million of debt in Government-owned companies he was claiming that the total amount of debt owed by the Government should include the debts of Government-owned companies, and if you took that amount into account it exceeded the legal borrowing limits.

Well let's test the position even further, shall we, in accordance with the numbers that he has given today and the numbers that we know about.

1795 If you take, as he advocated in December 2011, the combined debts of Government and Government-owned companies, each man, woman and child, as he put it then, would not owe £16,000 to the banks, as he claimed then; they would owe £40,000 to the banks, Mr Speaker. It follows that if £16,000 per person was 'an incredibly high level of debt per capita' in 2011, I suppose £40,000 could be described as a staggering amount today.

1800 It must also follow that if he felt – let me get the quote correctly – 'there is an issue with the economy' on those numbers in 2011, there must be a very serious issue with the economy on the numbers today, which are far worse.

1805 He also said that if you took the £20 million debt in Government-owned companies at the time, the GSD Government had breached the legal borrowing limit by £0.2 million. Well, Mr Speaker, the Hon. the Father of the House will know, if the Chief Minister does not already, that at the time our legal borrowing limits were measured within net debt parameters and indeed he is taking the £20 million figure, which is a gross figure. Well, Mr Speaker, I am going to

return to the net debt limits in a moment, but the debt limits were changed last year to 40% of GDP. That is net debt 40% of GDP. On the GDP numbers that he has given to this House today, our combined gross debt is running at 62.5% of GDP. In real numbers – because that is what he was talking about in 2011 – it is not £0.2 million above the legal debt limit; on a gross basis it is £436 million above the figures that he has given in relation to the economy and public debt. We have calculated the net debt limit: it is £436 million.

Mr Speaker, I cannot tell the hon. Gentleman, because he is not transparent enough with this House, what the net debt position of Gibraltar plc is, taking into account the cash position in Government-owned companies, but if I take into account and I give him credit for the £300 million that he has borrowed – and that, let's assume, he has not spent, mortgaged, on the estates – and the £129 million in terms of the cash reserves that the Government has at its disposal, we are still talking about a legal debt limit that has been breached taking those numbers. But as I say, I am speculating because of course I do not know; there is no ability for me to look through into what is the cash position of those companies in order to tell this House whether in net debt terms we are running over the 40% of GDP ratio that the legal borrowing limits allow us.

Of course, this year we have the £300 million that the Government, through Gibraltar Capital Assets Limited, has borrowed, mortgaged, on the housing estates of Government tenants – a loan that is going to cost us, over 31 years, some £314 million in interest alone. In the first 15 years Gibraltar Capital Assets Limited will have to find £23.3 million per annum to meet capital and interest repayments, assuming a straight-line accrual of sinking fund, and I am still not clear whether that is coming out of this book – in other words, that £23.3 million of repayments from this book – or from the money hidden away in Government-owned companies, because they refused to tell us in our meeting at No. 6 Convent Place when we met in order to talk about the £300 million loan.

If a GSD Government had done that, Members opposite led by the Father of this House it has to be said would be calling for our collective heads. They would be incandescent. I can just see the headlines and I can just see the statements emanating from that side, or this side if they had been on this side: 'Poor working-class tenants having their homes mortgaged, or hocked, by a wicked right-wing Government'. Instead, we have a socialist Government – a socialist Government, Mr Speaker – borrowing yet more money on the security of people's homes and to boot saying to the people of Gibraltar, 'We, as a Government, do not owe that money because it's owed by a Government-owned company.' Of course, none of this was put to the people of Gibraltar during the election because they never mentioned it. They did it behind the backs of people and announced it seven months after the 2015 general election.

Before I move on to a different point, it is worth pointing out and it is relevant to the rainy day arguments advanced by the Chief Minister during the course of the debate today, that as at 31st March 2017, 68% – nearly 70% – of all assets in the Gibraltar Savings Bank is being invested directly or indirectly in Government debt composed of a loan directly to the Government of £251.4 million and to Government-owned or controlled companies of £556.1 million. There is not a bank in the world that has so many of its eggs in one basket, and if the answer is that the Government is solvent and guarantees the money anyway, what on earth are we doing, Mr Speaker, excluding the sums the Gibraltar Savings Bank has invested in Government-owned companies from any calculation of public debt or expenditure?

I now turn to the cash reserves, debt limits and the surplus. We do not know what the real cash position of Gibraltar plc is because we do not know how much of that £772 million in Government-owned companies has been spent or remains available to spend. The hon. Gentleman says that the proceeds from the £300 million mortgage loan will be spent on investments that will generate further economic activity. All we have is his word for it, because there is no way of scrutinising whether that is so.

The cash Government has in the bank has been consistently dropping since 2011. It stood at £273.8 million in March 2011. By March 2015 it had dropped to £73.2 million. This year the

1860 forecast outturn is £122.9 million. Mr Speaker, I apologise to the House because earlier on in my
discourse I said that the cash reserve was £129 million – it is £122.9 million. Every year cash
reserves drops from year to year and then increases nearer to the date of this debate as
Government tightens its belt prior to 31st March. Even if we take £122.9 million, it represents a
1865 downturn, without knowing what the Government is spending in Government-owned
companies, of 55% since March 2011.

Mr Speaker, for most of this time, indeed until the Government changed the legal borrowing
limits in March of last year, there was a direct correlation between the legal borrowing limits
and cash reserves. That is because the legal borrowing limits were calculated at a net debt of
80% of recurrent revenue and net debt is calculated gross debt minus the money that you have
1870 in the bank. In other words, cash reserves. That formula for the legal borrowing limit was
changed in March of last year to 40% of GDP without an electoral mandate and indeed without
mentioning it to the people of Gibraltar in the election held three months earlier. It is a similar
formula, Mr Speaker, in fact, that led Bermuda to borrow more over a number of years than it
could afford, and now that jurisdiction is scrambling to rein in public debt and there are
1875 significant calls to change its legal borrowing limits to the formula the Government ditched in
March of last year. But the important point for our purposes today is that for much of the period
between March 2012 and March 2016 when the legal borrowing limits were changed, cash
reserves were very low and therefore net debt was running very close to the legal borrowing
limits – at one point as close as less than £30 million.

1880 The Government just could not afford to pay for the £750 million it spent over a period of
four years on capital projects or the rest of the goodies that they like to crow about that they
delivered on. They could not do it without the money borrowed from Government-owned
companies. It just was not legally possible for them to do it.

Today the Government comes to this House and says it has made a surplus of £75.7 million.
1885 It is a complete nonsense when it is not accounting for the expenditure in Government-owned
companies. A simple example – and by no means the only one, Mr Speaker – is that through
Government-owned companies the Government is paying the commuted pensions of civil
servants. That is traditional Government expenditure and that expenditure no longer appears in
this book because it is being paid through Government-owned or controlled companies.

1890

Minister for Economic Development, Telecommunications and the G (Hon. J J Bossano):
Which is a jolly good idea.

Hon. D A Feetham: I hear the Hon. the Father of the House saying it is a jolly good idea. Well,
1895 Mr Speaker, that may or may not be so, but what I am saying to this House today and my
message to the people of Gibraltar is that if it is such a good idea come clean, be open, be
transparent about it. Tell us what the Government has spent in those Government-owned
companies. Allow us to scrutinise the money that is held in Government-owned companies and
then let's see whether in fact the Government is making a surplus or whether Government
1900 expenditure and what Government expenditure is being channelled and funnelled through
Government-owned companies.

In 2012, contributions to the Improvement and Development Fund from the Consolidated
Fund were £181 million. In other words, in 2012 the Government was directly, from its own
pocket and reflected in this book, making provision for capital projects and development to the
1905 tune of £181 million. That was pre Credit Finance Company Limited. At that stage they were not
taking money from the Gibraltar Savings Bank. Post Credit Finance Company Limited, in 2013,
that number – in other words, the contribution from the Consolidated Fund into the
Improvement and Development Fund – falls spectacularly in the following years and there is a nil
contribution to the Improvement and Development Fund in 2016, a forecast outturn for this
1910 year of £25 million and an estimate next year of £5 million. That is why, if you look at what the
Government actually spent overall – in other words, itself directly – in the year ending 31st

March 2012, which was £602 million, it is more or less the same than what the Government estimates it will spend next year up to 31st March 2018, which is £601.6 million.

1915 There are additional reasons why the analysis on the surplus by the Government, we believe, is grossly exaggerated, if not fictional.

1920 Firstly, I repeat the point that I have been making for the last two years about contributions to Community Care. Prior to the financial year ending March 2014, contributions to the charity Community Care were treated as a recurrent expense through a contribution to the Social Security Fund. Since 2014 these amounts have been included in the surplus and then, from there, there has been a payment to community care. The effect in accounting terms is to lower expenditure and to increase the surplus by a corresponding amount. It has never been explained why the change in accounting practice. If the GSD Government had done this, we would have been accused of smoke and mirrors. This year, that would have meant an increase in recurrent expenditure of £20 million and a corresponding decrease in the surplus by the same amount.

1925 Secondly, the Government owes – that we know of, Mr Speaker – at least £19 million or £20 million in tax rebates going back years. He tries to portray almost a Mystic Meg mode in trying to diffuse the point that I am about to make about tax rebates by pointing out to practices – that he says were practices, Mr Speaker – of the former GSD Government. But he is the New Dawn Chief Minister, Mr Speaker. He is the incumbent four, five, six years ... This is his sixth Budget speech, he has told this House today, and I would have thought that in six years, even if he is right on the points that he has made, he would have been able to do the right thing by those very many people who are owed money by the state. Some people are being paid their tax rebates for the year ending 2008. If the Government has made money, it should pay it back to the people, not just retain it so that the hon. Member can stand in this House today and say, 1930 'Look at what a wonderful Government we are: we have made a £75.8 million surplus.' That is not a comfort to those people, Mr Speaker. Nor is it a comfort for the hon. Gentleman to say, 1935 'Well, it's just a practice of the GSD that we are taking moving forwards.'

1940 Thirdly, Mr Speaker – and my hon. Friend Mr Clinton will be examining this in more detail later on in this debate – the £300 million loan and the mortgage on the estates has generated £14 million of stamp duty, which is a transaction by the Government with itself, a Government-owned company ... I think it is two Government-owned companies. It is artificial income. Indeed, if you take into account transactions between the Government and Government-owned companies or between Government-owned companies, stamp duty generated exceeds £20 million, as my hon. Friend Mr Clinton will be demonstrating beyond peradventure in due 1945 course. Just on those three items it would reduce the surplus by £54 million – and I am just taking £14 million for the time being in terms of stamp duty. But I would not want listeners to think that our position is that there is a surplus of £21.7 million. Our position is that if you take all this, and in particular the expenditure through loans provided to Government-owned companies, there probably is not a surplus at all – but we cannot say for sure because there is no 1950 visibility and ability by the Opposition to scrutinise how much is being spent in Government-owned companies.

1955 Mr Speaker, I now turn to analysis of Government revenue and expenditure. For the reasons that I have already explained, any debate on Government expenditure based purely on these estimates without taking into account the expenditure of Government-owned companies is a nonsense. In simple terms, if I told listeners that I had £500 in my right pocket and I told listeners that I have £800 in my left pocket and I then told listeners, 'Here is a complete account, detailed to the last penny, of how I have spent the money in my right pocket, that £500,' and I then said to listeners, 'I have provided you with a full account of how I have spent all the money in my possession in my control,' the obvious answer from those listening to this debate would be, 'Oh, 1960 but, Mr Feetham, what about the £800 in your left pocket?' and if I said to them, 'Well, no, I can't disclose that, because that's my left pocket, it's not my right pocket and I've only got an obligation in law to disclose to you how I'm spending the £500 in my right pocket,' they would say, 'You're absolutely mad – you're stupid!' (A Member: Yes.) The reality is that, unfortunately,

they have reduced this debate to a complete and utter nonsense precisely because they fail to account for that £772 million that they are spending in Government-owned companies.

It has to be said, however, Government expenditure, even without taking into account the hidden expenditure of Government-owned companies, has risen over recent years like a runaway train. It has provoked comments from the Father of the House about consultants hypnotising Government Ministers into overspends, and no doubt a lot of sleepless nights on the part of the Father of the House, as indeed it has caused one or two sleepless nights on my part too. He has that in common with me.

It has led a Government – that fought an election saying we, the GSD, were the party of austerity – to introduce austerity measures under the guise of public efficiency, which is what we are seeing across the public service.

Mr Speaker, on 31st March 2012 the overall recurrent departmental expenditure, i.e. the cost of Government, stood at £333 million. If you compare like with like and treat the £20 million contribution to Community Care as a recurrent expense, as was always the case prior to 2014 before the Government started to indulge in some creative accounting, recurrent departmental expenditure stands at £494.7 million and has therefore risen by 48.5% since 2012. For a Government that is hiding away so much of its expenditure in Government-owned companies that is a very significant amount.

Recurrent revenue in March 2012 stood at £454 million. The forecast outturn for this year stands at £653.7 million. That is an increase of 44.5% since 2012. Again as I have pointed out in previous years, recurrent expenditure, even without taking into account the money hidden away in Government-owned companies, continues to increase at a faster rate than recurrent revenue.

This House will also note that over 25.4% of recurrent income relates to import duty, which of course means, in the main, tobacco revenue. Before he accuses me of high treason – which is of course his practice – for making the point, the hon. Gentleman may want to refer to the statements he made to this House on this same debate when he was on these same benches, where he said, on a slightly lower percentage, that we needed to move away from overdependence on that sector.

Again, Mr Speaker, the Hon. Mr Clinton will be examining a series of one-off increases in income and artificial generation of income that will further highlight concerns with the ratio of recurrent income to recurrent departmental expenditure. I have to repeat, however, that without taking the entire picture of Government expenditure into account by examining the picture as regards Government-owned companies, it is not possible to have a comprehensive analysis of Government expenditure nor compare it usefully to Government revenue.

Mr Speaker, I now turn to economic growth. Today the Chief Minister has said that economic growth for the year ending 31st March 2016 came in at £1.75 billion and that GDP was forecast to rise to £1.91 billion next year. Everyone welcomes the rise in GDP, but there is absolutely no doubt that economic growth is being driven by direct or indirect Government borrowing, at least to a large extent. This is not rocket science. If you inject hundreds of millions of pounds in Government company borrowings into the economy it is bound to produce a significant increase in economic growth. It does not, however, guarantee economic health, as he himself was telling the people of Gibraltar in his podcast in 2011.

At a time when Bermuda's economy grew substantially, fuelled by debt, there were a minority of voices in that jurisdiction that warned that debt had to be repaid and that the jurisdiction was mortgaging its future economic security. This has been precisely the warning of the GSD Opposition for the last four years, and the failure of the Government to put forward a coherent plan for debt repayment continues to be a very significant weakness in the Government's economic plan, which could bring economic consequences in the future.

Mr Speaker, I now turn to specific Budget measures and my concluding remarks. I said last year that in the light of an impending Brexit and the very significant spending funded by the borrowing we had seen over the last four years, this was a time for reflection and a time for the Government to rethink its spending plans over the next few years, that it was a time for

consolidation and long-term planning, including debt repayment planning. The immediate response from the Chief Minister was that the Government would meet all of its manifesto commitments. No doubt that is why he has hocked Government estates to the tune of £300 million. This is a matter entirely for the Government.

2020 We have made our position clear. What we have advocated is for the Government to prioritise spending on education and training, which is a matter that my hon. and learned Friend Mr Phillips has tenaciously raised on numerous occasions. In addition, Bayside school is not fit for purpose and I am sorry to say that to have prioritised spending on his own offices over and above a new school for Bayside students will, and continues to be a huge black spot on his
2025 record as Chief Minister. We cannot see how their electoral plans on Bayside School are sound and how they are going to build a new school at Bayside while students work on a building site. I hope that the announcement that the Hon. the Minister for Education makes during the course of this debate this week is that he will ditch their manifesto plans for a school at Bayside, because it was completely and utterly ill-conceived and I hope it goes in exactly the same way as
2030 his plans for a Europa Point stadium and a stadium at Lathbury Barracks went – confined to the dustbin of history. But we will see what the Minister for Education has to say.

We, for our part, continue to believe that the Rooke site is a much better site for a boys' comprehensive school – even if he does not want to follow our plans, which they have said that they will not – and would allow works with no disruption to children. Well thought-out targeted
2035 spending is where we need to plan over the next two years, Mr Speaker, and that is what we will be looking for from the Government not only now but moving forwards.

Mr Speaker, the Budget is a prudent Budget and I accept that in terms of the measures that the hon. Gentleman has announced today those measures are prudent. We welcome the measures that he has announced today in relation to increases in import duty in respect of
2040 tobacco and diesel and also the measures that he has announced in respect of plastic bags.

The measures that he has announced today affecting working-class people are modest. We live in uncertain times and I certainly am not going to criticise the Hon. the Chief Minister in respect of the measures that he has announced before this House today, particularly when I have been calling upon him to be prudent in the measures that he announces.

2045 But I still want to say this: that if we are really a truly wealthy society, we have to make sure that that wealth trickles down to those who need it the most, and we need to make sure, through training and employment opportunities, that those who find it most difficult in a difficult economy to find jobs are helped in order to find those jobs. I still get many people in my surgeries complaining that they cannot find employment or are not earning enough in order to
2050 raise a mortgage to buy a property. Today he has said that employment levels are at record highs. Yes, that is true, but when one looks for examples in terms of a breakdown of nationality where the increases in employment have been, Gibraltarians have increased – and this is up to the end of 2016, which is the latest figures that we have – from 11,010 to 11,065. That is an increase of 55 Gibraltarians in jobs. Spaniards in employment has increased from 6,413 to 6,867.
2055 That is 454, an increase of 7.1%, when the increase in new Gibraltarians occupying jobs was 0.5%. The increase in other EU has been from 2,599 to 2,776, an increase of 177 or 6.8%. My heart breaks every time I see someone break down in front of me, as indeed they do, because they simply cannot find employment – *any* employment *anywhere* in *any* building site in Gibraltar.

2060 Since the hon. Gentleman Minister Costa has moved from employment it has proved very difficult for me to engage with the Government as I did with him, where I used to draw to his attention the most difficult cases that came to see me. It is all very well for me to now be told when I refer difficult cases that that is what the ETB is there for, but these people come to see me because they go to the ETB every week and because they are desperate. They do not come
2065 to see me otherwise; they come to see me because they are desperate. It is then galling for these people to see top civil servants retiring on fat pensions to be re-recruited by the Government on fat salaries as consultants, or the Government handing out a 28% pay rise to the

Chief Secretary and the Principal Auditor just before their retirement on a final salary pension. Was there really no one who could have done the job as Ombudsman? Did it have to be the retired Financial Secretary, whatever the undoubted merits of that gentleman may be?

I also believe that unemployment figures are skewed by the fact that there are people with employment contracts with recruitment agencies who are either on zero-hour contracts or are not working a sufficient number of hours to make ends meet. These people are not classed as unemployed, because they have a contract with a recruitment company, despite the fact that they may be working four, five, six hours a week or may be in possession of a zero-hour contract.

At the other end of the spectrum we have seen the Government and Government authorities make increasing use of recruitment consultants to the extent that we are creating a parallel public service on significantly poorer terms than their permanent cousins. It is all very well to say that such labour is necessary to cover for maternity leave or sickness. The reality is that many of these people are occupying posts for some years. These workers have no holiday or sickness leave entitlement. Many are on the minimum wage whilst the recruitment agencies earn a significant slice by way of premium.

I would ask the Government to be honest with people, tell them what they intend to do and in the meantime make sure people who have been covering on a long-term basis have proper holiday and sick leave. I would go as far as to say that there is a case for cutting out the middle man altogether and for the Government or agencies to do the recruiting directly, so that more of their labour goes into the pockets of the worker and not into the pockets of recruitment agencies, even if that employment is on a temporary and not a permanent basis.

I just want to draw the attention of this House to some of the figures on subcontracted labour. As at February of this year, 45% of all employees at the Dr Giraldi Home were subcontracted workers; 30% of all nurses in the Care Agency and Mount Alvernia were also subcontracted through recruitment agencies. These are very significant figures, and in some areas there are more workers recruited through agencies than directly by the Government. There were a staggering 196 subcontracted workers providing care services for the Care Agency alone, excluding Mount Alvernia, compared with 159 employed directly.

And again, Mr Speaker, as in other areas of Government business, the Government simply refuses to disclose accurate information every time we issue a press release criticising their performance in the area concerned. And there I thought that part of the democratic process was the Opposition holding the Government to account and criticising the Government on areas of Government performance where it is justified. One day the Government gives us the figures on vacancies within the public service, including the GHA and the Care Agency, but when we make any kind of public comment on the numbers, the Government closes the shutters on democracy the next time that we ask. And he calls himself a transparent and accountable Chief Minister simply because we have more meetings of the House, of Parliament, than we did under the GSD Government!

What is appalling, in my view, however, is that rather than opt for the approach of Minister Bossano, who will simply say, 'I am not going to give you the answer,' and will take any criticism coming his way on the chin, we are told there are no vacancies in the Care Agency or the GHA when that is clearly not the case and the Government was in discussions with Unite the Union on the issue – and we know that because Unite the Union issued a contemporaneous circular to its members stating precisely that it had spoken to the Government about vacancies within the GHA.

Mr Speaker, there is no doubt that there are huge morale issues in the GHA and indeed the Care Agency, and labour issues lie at the heart of that discontent. The hon. Gentleman Minister Costa knows I have the highest regard for him personally, but he has a massive job on his hands in relation to Health. There is a very significant discontent by both hardworking staff and by patients. It is unprecedented for doctors to have felt the need to conduct a morale survey at the hospital. It is unprecedented to see so many doctors leave the hospital because of morale issues. It is unprecedented, Mr Speaker, to see doctors who have felt the need to conduct a morale

2120 survey at the hospital – absolutely unprecedented. That all in the context of unprecedented expenditure in Health, which has gone up from £75 million in 2011 to £120 million last year. That is nearly *£10 million a month*, Mr Speaker! For that amount of money we just simply should not be having the kind of issues that people and staff are experiencing within the Health Service.

Such were the number of complaints we were receiving that I took over this portfolio myself. 2125 It is the reason why I am dealing with this during the course of my own contribution before this House. I began to raise the burning issues as I saw them that were coming to me: bed shortages, Accident and Emergency, the Primary Care Centre and doctor morale issues amongst others. Since March I have attempted to give the hon. Gentleman the space to deal with these because I genuinely want him to succeed, but it is something that I intend to return to and he knows that I 2130 will compare his performance by the same yardstick that he used as Shadow Minister for Health when we were in Government. Nothing is more important than health and we ignore the concerns of professionals and patients at our peril. But again, Mr Speaker, I wish the Hon. the Minister for Health, Mr Costa, well in his endeavours.

Mr Speaker, these are uncertain times. I foresee difficult moments ahead. It is important that 2135 in the same way as we create wealth, that wealth is spread evenly when it is created. Where the Government is looking for efficiencies it should not be allowed to affect the quality of services, the disadvantaged, or create unfairness in the workplace. Other than that, our spending has to be carefully targeted: no more pharaonic projects, no more suspension bridges, no more building palaces at No. 6 Convent Place, less traveling around with hordes of officials and 2140 politicians. Let's invest in what really matters: training, education and the creation of jobs for our people.

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

Chief Minister (Hon. F R Picardo): Well, Mr Speaker, this is going to be an easier week than I thought, and in the circumstances I now seek that the House recess until 5 p.m. this afternoon, 2145 when the Deputy Chief Minister will continue with the proceedings.

Mr Speaker: The House will recess to five this afternoon.

The House recessed at 2.34 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 5.03 p.m. – 8.39 p.m.

Gibraltar, Monday, 26th June 2017

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The Gibraltar Parliament

The Parliament met at 5.03 p.m.

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

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

Appropriation Bill 2017 – For Second Reading – Debate continued

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, it is a pleasure to rise once more in this House in order to review progress in a number of areas of Government policy since the last Budget a year ago. This is my 19th Budget address to this House; it is my sixth as a member of the Government. I apologise in advance to the House for my emphasis on Europe and on Brexit, but I am sure that hon. Members will understand.

Just over an hour ago, Mr Speaker, the United Kingdom government published a paper entitled 'The United Kingdom's exit from the European Union – Safeguarding the position of EU citizens living in the UK and UK nationals living in the EU'. The document contains one direct reference to Gibraltar, in paragraph 8. This says:

The reciprocal agreement on citizens' rights will apply to the entire United Kingdom, covering Scotland, Wales, Northern Ireland and all parts of England, and Gibraltar. Decisions that are currently made by the devolved administrations and the Government of Gibraltar will continue to be made by them.

Mr Speaker, this is in line with the comments made this morning by my hon. Friend, the Chief Minister.

The cut-off point for the mutual recognition of rights is given as anywhere between 20th March 2017 and 20th March 2019. The paper spells out a series of benefits, pensions, healthcare, economic and other rights, in the expectation that these will be reciprocated by EU member states.

Mr Speaker, having commenced with the latest, I will now rewind and for the sake of good order, start my review at the beginning.

Last June, the United Kingdom as a whole voted to leave the European Union. Gibraltar voted to remain, as did two of the three devolved administrations.

I assumed responsibility for work related to the UK and Gibraltar's departure from the EU after the reshuffle last year. The Government acted immediately and responsibly in order to meet the challenges posed by the referendum decision.

Two immediate action points were put in motion. The first was to produce a detailed Government impact study into the potential effects of leaving the European Union. The second was to look at all the options open to Gibraltar going forward. I should add, for the avoidance of doubt, that shared sovereignty was not one of those options.

Mr Speaker, during July and August of last year, detailed information on the impact of leaving the EU was requested from all Government departments, agencies and authorities. This data was compiled and produced through the Attorney General, Michael Llamas, and co-ordinated with my office.

The study looked at the impact of different variations of Brexit. The possibilities ranged from what is known as a hard Brexit, where the UK departs with no agreement, to what is known as a soft Brexit, whereby the effect of any changes would be less dramatic. So there is black and there is white and there are shades of grey in between. Nobody knows the final shade of Brexit at this stage, given that formal negotiations have only just begun. However, the people of Gibraltar can rest assured that their Government has already analysed the impact locally of different types of Brexit. This is what a responsible Government does and what our people are entitled to expect from us.

Mr Speaker, the Government has indicated that a number of salient points emerged from that analysis.

The first was the importance of frontier fluidity. That has never been a secret. There are around 12,000 frontier workers officially employed in Gibraltar. This constitutes over 40% of the labour force. That number includes over 7,000 Spanish frontier workers.

Indeed, the figures show that practically every nationality of the European Union is represented in the daily flow of workers into and out of Gibraltar. This entire area has become a microcosm of what Europe should be – that is, thousands of nationals of different member states who have chosen to live in one part of the EU and to cross an internal border to work in another. It is a reality that Europe should be proud of; a reality that should be protected and maintained.

The role of frontier workers impacts across the economy. They constitute a considerable proportion of employees in certain areas of economic activity: 80% of land-based gaming; 60% of online gaming; 72% of hotels and restaurants; 66% of the construction industry. Even in areas like health and social care, 26% of those employed are frontier workers.

This is a reflection of the positive impact of Gibraltar on the economy of the neighbouring region of Spain. Members will have seen the studies which indicate that Gibraltar accounts for 25% of the GDP of the Campo area and that Gibraltar plc is the second largest employer for the whole region of Andalucía. This fact is recognised by the Mayors of the neighbouring towns, the President of the *Mancomunidad*, the provincial government in Cádiz and the regional government in Seville.

A Brexit formula which involves a difficult border is clearly not in our interest, but it is not in Spain's interest either. This is the message that has to be understood by the Spanish central government in Madrid. It is a message of continuity that they themselves have delivered in the past. Indeed, the Spanish Foreign Minister, Mr Dastis, himself is on record as having said that one of Spain's objectives was to ensure that 'the links that have been created between the Campo and Gibraltar are maintained and that shared prosperity continues'. This is an attainable objective.

The second objective for Madrid is shared sovereignty over Gibraltar. This is unrealistic, unacceptable and unattainable. The truth is that Brexit and sovereignty are not connected. It is Spain that has chosen to link the two through the resurrection of the proposal for shared sovereignty. We have rejected shared sovereignty in the past and we continue to reject it. It is nonsensical to expect the people of Gibraltar to exchange one colonial master, as it were, for two.

Mr Speaker, Spain has to come to terms with the simple fact that they lost Gibraltar 300 years ago and they are never going to get it back. It would be wrong and irresponsible for Spain to complicate Brexit further still by bringing their obsession with Gibraltar to the fore. There are small micro-states all over Europe, Mr Speaker. No other nation state behaves towards these small territories in the bullying and aggressive manner that Spain behaves towards our country. We do not see France blockade the Channel Islands or Monaco. We do not see Italy obsessed with San Marino or the Vatican City. We do not see Switzerland or Austria plot to take over the sovereignty of Liechtenstein. Indeed, closer to home, we do not see an obsessive approach from Portugal towards Spain because of Olivença.

In this context, it is only Spain that is obsessed with redrawing the frontiers of Europe at a time when Europe needs certainty and stability. Madrid is the odd one out. Their approach to Gibraltar is out of step and out of tune with the times in which we live.

Mr Speaker, history is littered with examples all over the planet where countries have come to terms with particular situations and learnt to live with them. Spain must come to terms with that reality also.

Back to the Brexit report. Mr Speaker, the second major finding of our Brexit discussions with the private sector was that the bulk of our financial services business is with the United Kingdom and not with the European Union. This simple fact means that the possible impact of losing access to the single market in the future is already mitigated against considerably.

The UK has already assured us that there will be continued access to the UK market. We have also received assurances from the Secretary of State for International Trade, Liam Fox, in respect of the inclusion of Gibraltar in future trade deals that the UK may negotiate for itself.

I think that there is broad agreement in this House that this is the way forward: first, the border; second, access to the UK market; third, access to UK trade deals; fourth, whatever access to the EU single market the UK may negotiate for itself. It is not helpful that we should promote a climate of disagreement amongst ourselves where perhaps no such disagreement actually exists.

Mr Speaker, the Government is confident that as one door closes other doors will open. New opportunities will come our way. The engagement with the Commonwealth has already started. I am pleased to report that there is considerable interest in Gibraltar from large Commonwealth countries. We will explore trade and commercial opportunities with them. They too are looking at the new economic openings that Brexit may bring. This interest to talk to Gibraltar is very encouraging and extremely welcome.

Members will recall that at a regional level this subject formed part of the discussions here last month during the conference of the Commonwealth Parliamentary Association. The aim, where we can, will be to raise the profile of the Commonwealth in Gibraltar and of Gibraltar in the Commonwealth. This year, with the co-operation of my colleague the Minister for Education, Dr John Cortes, an essay competition on a Commonwealth theme was organised for our young people. The Government will continue to broaden and to deepen our relationship with the Commonwealth as a matter of policy.

Mr Speaker, EU funding will cease once Gibraltar has left the European Union. This is obvious. These funds are managed locally through the Ministry for Economic Development. Gibraltar has benefited from over €60 million of funding ever since the first allocation was made. These funding programmes were secured under the European Regional Development Fund – €32 million; the European Social Fund – €18 million; and the Inter Regional Transnational Programmes (INTERREG) – €9 million. The UK government has effectively underwritten the completion of the existing programmes which commenced in 2014 and which are due to end after our EU exit in 2020.

Mr Speaker, the Government's Brexit impact report was submitted to the new UK Department for Exiting the European Union in September. This has formed the basis of our formal and informal discussions with the UK ever since. The House is agreed that frontier fluidity is important and the hon. Members know that the Government has spent considerable time and effort looking at different ways forward in this area.

Gibraltar is outside the Common Customs Union and therefore outside the ambit of free movement of goods. Whereas the mechanics to provide for the future exportation of goods to the EU is a major issue for the United Kingdom, it is not an issue here in Gibraltar – first, because we have no manufacturing industry as such; and second, because we are outside the EU regime for goods already and indeed have never belonged to it.

The general view is that the system that already operates at the land frontier and other entry points in relation to goods will simply continue as it has been going forward. The examination of

the manner in which the border will operate in the future is therefore primarily about the movement of persons and not about the movement of goods.

We have mentioned in the past the possibility of Gibraltar joining Schengen even if the United Kingdom were no longer in the EU. The irony is that in 2013, with no Brexit on the horizon, we were encouraged to look at this option seriously as a way of eliminating the delays generated by Spanish controls on persons. We have therefore moved from a position where we were looking at more Europe to a position where we could end up with less Europe, or indeed with no Europe at all.

I have to say that Andorra, Monaco and San Marino are not in the European Union, nor are they part of the Schengen area, although all three are in the Customs Union. It was important to the Government to analyse the way in which the EU's small neighbours operate their borders. This is in line with the pledge we made to examine all the options open to Gibraltar going forward. These small territories have no hostile Spain next door, that is true; nonetheless, we are dealing in an area where precedent is often a valuable ally to deploy.

Mr Speaker, it is also well known that the Government has been looking into the possibilities provided by the framework of the Local Frontier Traffic Regulation No 1931/2006. This provides a mechanism which allows EU member states to conclude bilateral agreements with their neighbouring non-EU countries in order to facilitate the crossing of external borders. Two particular advantages of this scheme are that the Commission retains oversight of the mechanics and that it is already enshrined in EU law.

It is relevant to note that the crossing arrangements at the land borders of Ceuta and Melilla do not stem from this Regulation. They are the result of special border arrangements which were applied earlier. However, in practice it means that the residents of the neighbouring Moroccan provinces are allowed to cross in and out of Ceuta and Melilla on the basis of a unique regime suited to their own particular circumstances.

Mr Speaker, I wish to say a few words at this stage about the amendments to the Schengen Border Code which came into force just before Easter. The Government in general and our Office in Brussels in particular worked very hard behind the scenes with other interested parties on this matter.

The Code provides for systematic checks against databases for every person crossing any external Schengen border in either direction, whether they happen to be EU nationals or not. There were disproportionate delays in both directions at the Frontier immediately before the amended Code came into force.

Mr Speaker, it should be noted that the Code provides for an evaluation mechanism to regulate the manner in which it is being applied. There is also provision for a reversion to targeted checks in cases where systematic controls generate lengthy delays and for border guards to wave through persons they recognise with simple cursory checks.

It is relevant to point out that the Commission has already intervened in relation to the application of the Code between Slovenia, which is part of the Schengen area, and Croatia which is not. Brussels has already agreed to allow targeted checks to be introduced at that land frontier when waiting times are longer than 15 minutes. This sets a useful precedent. A number of MEPs and other interested parties have already approached the Government in order to find out more about the effects of the application of the amended Code at the border between Gibraltar and Spain. We will continue to look at this closely and share any relevant information.

Mr Speaker, it is obvious that in relation to Brexit the border alone is a voluminous subject in its own right. The House knows that Brexit is a multi-faceted negotiation and therefore the land borders for which the United Kingdom is responsible is only one of many areas for discussion in the months and years ahead.

Another area that the Government continues to follow closely is civil aviation. The Government welcomes the continued support of the United Kingdom to date in relation to the inclusion of Gibraltar Airport in EU civil aviation measures. The Government has conducted

185 vigorous lobbying in the European Union to support our position and has enjoyed the full backing of the United Kingdom government throughout this process.

Mr Speaker, hon. Members know how this story goes. Spain continues to object to the inclusion of Gibraltar Airport in EU civil aviation legislation. They take this position despite having pledged to put an end to that very objection in an agreement signed at Córdoba in 2006.

190 This means that a number of aviation dossiers are held up for the whole of the European Union by Spain. They are the Single European Sky 2+, the legislation on slots, that on air passenger rights and the aviation agreement between the European Union and Ukraine. Other aviation agreements with third countries are now joining the queue. The pressure is building up. It was there before 23rd June 2016 but is has now intensified, given the decision taken in the
195 United Kingdom to leave the European Union.

Mr Speaker, the second question on the horizon is the application to Gibraltar Airport of the new aviation agreement between the UK and the EU. The latest position, as I understand it, is that the UK will not remain in the EU common aviation area, because this will involve recognising the jurisdiction of the European Court. The logical consequence of that position
200 would be a new aviation agreement. A third additional scope of the discussion are the new aviation agreements that the UK will need to negotiate with third countries outside the European Union. I am pleased to inform the House that the Government has already been consulted on the outline preliminaries of such new agreements.

Mr Speaker, I should say that similar to other Departments, the Director of Civil Aviation and
205 the Air Terminal Director have undertaken a review of the implications of Brexit in their respective areas.

Gibraltar Air Terminal Ltd and Commercial Aviation are the responsibility of my colleague, Gilbert Licudi. I will therefore only provide a very brief outline in order to put into context what I have said already.

210 The Airport is a member of the Airport Operators Association in the UK and its European equivalent, Airports Council International Europe. The two organisations have been briefed on Gibraltar's concerns and, I am told, have been supportive in representing our position.

Even with the uncertainty brought about by Brexit and by Spain blocking the application of certain EU aviation laws to Gibraltar, the number of flights this summer remains at historically
215 high numbers. This is positive news.

Mr Speaker, the measures taken by the Government in early 2016 to employ 20 additional Border and Coastguard Agency officers and four additional operational support officers at the terminal has paid dividends. Despite a much higher throughput of passengers, queuing times at the central search area for security screening have been reduced compared to previous years.

220 Amendments have been made during the year to the Civil Aviation (Air Navigation) Regulations 2009 in order to bring into effect European Regulation (EU) No 2015/320 of the European Parliament and of the Council. This Regulation sets out the technical requirements and administrative procedures relating to the issue of air traffic controllers' licences and certificates. In addition, the Civil Aviation (Air Navigation) Regulations 2009 have been amended to regulate
225 the minimum heights at which UK military aircraft can fly in the vicinity of Gibraltar.

In last year's Budget, I announced that the MoD Airfield Authorities and the Director of Civil Aviation have introduced revised aviation safeguarding procedures in Gibraltar, which regulate the maximum height of developments close to the Airport. To support the new procedures, in the course of this year the Director of Civil Aviation and ITLD have introduced an easy-to-use
230 layer on the Government GIS portal. This new layer enables developers and architects to investigate the maximum build height for any new development in any part of Gibraltar.

Mr Speaker, the precise shape of the UK's departure from the European Union, and indeed our very own, are both far from clear at present. There are a wide variety of possible outcomes. The way it broadly looks – and this may change – is that a number of different agreements will
235 have to be negotiated.

The first is the withdrawal agreement, also known as the exit treaty. There are two years in which this can be concluded. The outcome is open to approval by Qualified Majority Voting, which means that no single country has a veto if it is concluded within that timescale. It requires unanimity to extend the deadline if the exit deal is not concluded within two years.

240 Article 50 of the Treaty of Lisbon provides for the withdrawal agreement to take account of the framework for the future relationship between the withdrawing state and the rest of the European Union.

This phrase has been interpreted differently by the UK and the EU. The UK took it to mean that both would be negotiated simultaneously, and the EU that the two would be negotiated
245 consecutively. We now know that the second agreement will be negotiated once the shape of the first becomes clearer.

In addition to this, there is a general view that transitional provisions may need to be agreed to straddle the gap between when the exit treaty has been concluded and the agreements to determine the future relationship come into effect.

250 Mr Speaker, I believe it is relevant to point out the infamous clause article 24 of the Council guidelines in the context of what I have just said. The clause says:

After the United Kingdom leaves the European Union, no agreement between the EU and the United Kingdom may apply to the territory of Gibraltar without the agreement between the Kingdom of Spain and the United Kingdom.

The coming into operation of that clause is limited in time to 'after the United Kingdom leaves the European Union'. The clause therefore cannot apply to the negotiations on the withdrawal treaty, because at that point the UK remains a member of the EU.

255 The logical conclusion is that the Spanish veto clause applies to the future relationship deal between the UK and the EU, which is the only point in the timeline when the UK is firmly out. I repeat the operative words, which are 'after the United Kingdom leaves the European Union'.

The EU Council guidelines therefore do not apply to the withdrawal treaty and to anything that may be agreed under its terms. However, all member states have a veto on the agreement
260 that will regulate the future UK-EU relationship. What the guidelines do, in the view of the Government, is that they provide Spain with an additional veto, a second bite at the cherry. This is because Madrid will enjoy the same veto as all the other member states in relation to what may or may not be agreed with the UK, and then also a second veto in relation to the application to Gibraltar of any aspect of that agreement.

265 Mr Speaker, the use of such language by the Council was tactless, insensitive and wrong. It was an affront to the 96% of the voting electorate of Gibraltar who supported remaining in the European Union a year ago.

I should add that the European Parliament's own guidelines, which make no direct reference to Gibraltar, are better worded. The Parliament has itself called for the European Union's
270 external borders to be one of the areas to be addressed first as part of the withdrawal negotiations.

Mr Speaker, the Chief Minister and I made it clear after the referendum that we would leave no stone unturned when it came to safeguarding the position of Gibraltar going forward. This is precisely what we have done. We have put our views to the top decision-makers in the UK
275 government; we have successfully lobbied all the main opposition parties in the United Kingdom; we have put across Gibraltar's case in the international media; we have spoken to key figures in the devolved administrations, including the First Ministers of Scotland, Wales and Northern Ireland; we have discussed mutual challenges with the Crown Dependencies and the other UK Overseas Territories; we have welcomed politicians from London and Brussels to
280 Gibraltar; we have met key figures in the European Parliament across all the main political groups; we have spoken to the other member states of the European Union; we have raised our concerns with the European Commission; we have taken our message to key decision makers in

the Government and the Congress of the United States of America. It is simply not humanly possible to have done more.

285 Mr Speaker, parliamentarians from other Commonwealth countries have praised our Brexit work. Last month, I was asked to deliver an address to the regional plenary of the Commonwealth Parliamentary Association on the subject. This was followed by questions. A Member of the House of Lords said that she was impressed with the statesmanlike way in which the Chief Minister had approached Brexit. Another said that the evidence given by the Chief
290 Minister before the House of Lords inspired more confidence and was better than any evidence she had heard on Brexit before that Committee. A Member from Jersey said that he was really impressed with the Chief Minister's performance on the Andrew Marr Show which showed that he was, and I quote, 'a capable and confident leader'. There was more praise from the floor from questioner after questioner after questioner. Mr Speaker, this was the considered view of
295 parliamentarians from abroad after listening to what we had to say.

The Government is very grateful in all this to the Attorney General, Michael Llamas, an expert in European law in his own right, whose sharp legal mind and down to earth advice we have been able to count upon throughout. It is not without irony that Michael Llamas, the Chief Minister and I, who started our adult lives enthused with the European project, are now dealing
300 with our very departure from it. It is a strangely painful position to be in.

Mr Speaker, the vote for work related to the United Kingdom's departure from the European Union is a new subhead which can be found under my office in head 10, subhead 2(9).

Mr Speaker, I now propose to say a few words about Spain's approach towards Gibraltar in more general terms. It is obvious that the aim of the policies of the Spanish government towards
305 Gibraltar has always been to undermine our constitutional order, our prosperity and our way of life. In this general context, the hostile objectives of Spanish policy are probably the single greatest threat to Gibraltar.

Over the past few years, Spain has developed new state structures and procedures to implement its National Security Strategy. These developments represent a qualitative change in Spanish thinking and behaviour, which impacts on Gibraltar's security.
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Mr Speaker, Spain has designed and implemented a comprehensive strategy against Gibraltar. By its nature, this strategy combines the efforts of all of Spain's ministries. Behind Garcia-Margallo's rhetoric, and Mr Dastis's outwardly softer tone, this machinery has continued to work against our interests unabated.

315 This is particularly evident, for example, in the maritime domain where Spain has now developed a National Maritime Security Strategy, with a subordinate operational plan to exercise control of the Straits for the purposes of security and safety.

There are positive and negative reasons for these operations. The constructive reasons centre on the protection of life at sea and the generation of prosperity; for these purposes Spain
320 will always find Gibraltar a willing partner. However, Spain has also shown that its intention is to dispute Gibraltar's sovereignty over our waters by using its military, law enforcement and civilian capabilities. The latter was demonstrated when the former Spanish foreign and interior ministers awarded the Captain of the Port of Algeciras a medal for his 'defence' of Spain's interests against Gibraltar. The captain is a civilian employed in the Ministry for Public Works
325 and Transport.

Beyond the medals, Mr Speaker, it is clear that Spain is serious. In its national security documents, Spain has described our country as an 'anomaly' that poses security problems both for Spain and for Europe. What those actual security problems might be is rarely elaborated upon. And the fact that Gibraltar provides human and economic security to many is conveniently
330 and completely ignored. Instead, a 2003 Defence White Paper makes it clear that Spain genuinely thinks that Gibraltar curtails its sovereignty, perhaps because it allows the UK to launch independent operations in an area that Spain thinks of as vitally important to her own interests.

We now fully expect that Spain will, ignoring the NATO and Five-Eyes dimensions, argue that Gibraltar poses a problem for European policies such as the European Security Strategy, European Maritime Security Strategy, Frontex, etc.

This House knows that there is considerable work being done in Spain – and I will not go into that, for obvious reasons. However, the Members of the Select Committee on Brexit were given a brief outline of this activity during the Brexit briefing that I gave them recently. We will remain alert to any Spanish arguments and counter them as necessary.

Mr Speaker, I will now move on to some of the assets that we have at our disposal in order to counter that strategy. I will commence with our representation in Brussels and I will provide an outline of their activities over the last financial year.

During my Budget speech last year, I said that the view of the Government was that the role played by the Brussels Office assumed an even greater significance in the light of the outcome of the UK referendum on continued membership of the EU.

Mr Speaker, their work over the last 12 months, since the referendum, has proved that the Government was not wrong in making that assessment at the time. Since 23rd June 2016, the representation's efforts have been crucial in both informing the Government of movements within EU circles concerning the Brexit process and in advancing and voicing Gibraltar's concerns and desired objectives as the negotiations ensue.

New and important contacts have been made and the network continues to grow. I have no doubt that as a result of the Government's work, amplified by our assets in Brussels, Gibraltar is, at this crucial time in our history, better understood amongst EU policymakers than it has ever been.

Since the referendum, the Chief Minister and I have accumulated five visits to Brussels with the representation arranging top-level meetings on each occasion. Much of this work is better done away from the public eye. However, Mr Speaker, rest assured that the representation has been kept exceptionally busy in the last year.

I will focus, first, on activity related to the European Parliament, whose role will be important in the context of the Article 50 process. In the 2016 calendar year, Gibraltar Government officials or Ministers formally met 93 different Members of the European Parliament. A total of 37 further private exchanges of views took place between Government officials and separate MEPs from 1st January to date. Meetings with the same MEPs have taken place more than once in the time periods specified.

The Government has targeted the leaders of the more influential political groups and the chairs or political group co-ordinators of relevant European Parliament committees. Discussions have also taken place with rapporteurs of specific reports which are either relevant to Gibraltar or which might touch upon Gibraltar.

The work above forms part and parcel of the Office's day-to-day business insofar as the European Parliament is concerned. However, exceptionally, and again focusing only on the Parliament, the Office has also organised the following.

On 31st January 2017, the Chief Minister addressed the Constitutional Affairs Committee on issues concerning Gibraltar and the UK withdrawal from the EU. The Committee is one of the most influential parliamentary committees in which some of the leading minds on constitutional affairs and Brexit participate. The exchange of views, in public and before the full committee, was the first in which a Chief Minister of Gibraltar has ever appeared. This helped to focus attention on Gibraltar and the information provided by the Chief Minister was reflected in a report published more recently.

In April this year, the representation was commended for influencing 209 MEPs to vote in support of an amendment in a parliamentary resolution on Brexit which recognised the majority referendum vote in Gibraltar. This was not enough to carry the amendment through. However, the efforts of the team in Brussels must be seen in the context of the intense Spanish pressure pulling in the opposite direction and the fact that strict instructions had been issued to MEPs by parliamentary group leaders not to support or introduce any amendments.

Moreover, whilst Gibraltar was not mentioned in the main European Parliament resolution on Brexit, Gibraltar was indeed mentioned in a favourable light elsewhere. There was a positive reference made to the need to protect border fluidity, in separate resolutions put forward by the ECR Group, the GUE/NGL Group and the EFDD Group.

390 Separate visits by a number of MEPs to Gibraltar have also been organised by the Brussels Office in the last year. On each occasion, MEPs were able to see with their own eyes the challenges that Gibraltar faces at European level, not just with Brexit but also with, for example, the Airport and border fluidity.

395 Last month, the Office supported our Finance Centre Director James Tipping, and Frank Carreras, the Government's Specialist Tax and Administration Adviser, during their intervention before the Parliament's Committee of Inquiry into Money Laundering, Tax Avoidance and Tax Evasion. The exchange of views proved to be an excellent opportunity for the Government to publicly dispel allegations made by Spanish representatives in Brussels with regard to our tax practices.

400 Five separate lobbying visits to Strasbourg during the European Parliament plenary sessions were also organised during the last financial year.

Work on influencing the European Parliament will continue, Mr Speaker. I will be leaving for a lightning visit to Brussels tomorrow, where we have this week once again set up a Gibraltar exhibition in one of the main foyers of the parliament building. This is part of the policy of the Government to continue to raise the profile of Gibraltar in the European Union, in particular in the present climate.

405 Since the referendum, the representation has also increased its work with regard to the briefing of individual member states on issues related to Gibraltar and Brexit. The details of these meetings are confidential, for obvious reasons, but today I can confirm that since 23rd June 2016 Government Ministers and officials have held high-level meetings with practically all of the EU-27 countries.

In the last financial year, a significant number of meetings with the Commission have also been organised. These meetings have focused on business as usual matters, bearing in mind that it is only recently that the Commission have issued their Brexit negotiating directives and that until the UK withdrawal from the EU happens Gibraltar will be obliged to observe and implement EU law in accordance with its current status inside the European Union.

415 Therefore, meetings have, for example, been organised with Commissioner Moscovici, responsible for taxation, to discuss Gibraltar's excellent record of compliance with EU and international obligations on matters related to tax; and with Commissioner King, responsible for security, to brief him on the current position with respect to the border.

Further meetings have also taken place at a technical level to discuss other important issues related to the application of EU civil aviation measures to Gibraltar Airport or the implementation of the modified Schengen Border Code which I referred to earlier.

425 The bulk of the work of the Brussels Office involves the above. However, there is also continued monitoring of EU legislative and non-legislative proposals. Some other activities include: organising three separate visits of MEP assistants to Gibraltar in July and December of 2016 and April 2017; assisting with a tailor-made programme, involving meetings with MEPs, Commission officials and Committee of the Region officials, for the Cross Frontier Group's visit to Brussels in September 2016; securing the Chief Minister's participation as a keynote speaker at an APCO Forum Event on 'Brexit: Beyond the Bubble' and the opportunity for him to speak in a plenary discussion at the annual Friends of Europe flagship event 'The State of Europe' in October 2016; arrangements for the September visit of Gibraltar students to Brussels; and organising a screening of the Gibraltar v Belgium World Cup qualifying game in October 2016 ahead of the 2018 World Cup.

435 All in all, in Brussels, just as in London and elsewhere, Gibraltar will continue to punch above its weight when it comes to voicing its concerns and defending its interests both in the EU and internationally.

Mr Speaker, I want to take the opportunity to thank Sir Graham Watson, Daniel D'Amato and everyone in the Brussels Office for their hard work and dedication over the last financial year. The Brussels Office can be found in the Estimates of Revenue and Expenditure at head 10, subhead (2)(c).

Mr Speaker, I move on now to Gibraltar House in London. The office facilities at Gibraltar House in The Strand have proved instrumental in support of our response to the referendum last year and the challenges that lie ahead as a result.

Before June 23rd 2016, regular meetings with UK government officials were held both in Gibraltar House and in Whitehall. We have met Members of Parliament from all the main political parties in Westminster. Additionally, the liaison with Britain Stronger in Europe led to the formation of the associated Gibraltar Stronger In campaign.

After the result, the Government's focus in London homed in to lobby and meet all relevant parties and to explore the response to the outcome with significant affected entities. In many cases, in addition to our initiatives, we were approached directly by others interested in knowing how we might be dealing with the challenge ourselves.

There was a moment of change in the London office too. On 30th June 2016, Albert Poggio retired from the role of UK Representative. On 1st July 2016, Dominique Searle, then the Chief Minister's Special Representative, was appointed by the Chief Minister as UK Representative and Director of Gibraltar House.

The team in London was tasked to secure meetings at the highest level, working closely with No 6. The Chief Minister and I met with the Prime Minister, Theresa May, last year on her very first day in office. Shortly after this, as they took up their appointments, we had access to Foreign Secretary Boris Johnson, Trade Secretary Liam Fox, Brexit Secretary David Davis, Brexit Minister Robin Walker, Europe Minister Sir Alan Duncan, and Sadiq Khan, the Mayor of London, among others. These contacts have continued since those first days of the aftermath of the referendum.

In that same period a delegation from the Scottish Executive, headed by First Minister Nicola Sturgeon, was hosted at Gibraltar House. Regular meetings have also been held there with representatives from the Channel Islands, the Isle of Man and the other UK Overseas Territories. The House knows that Gibraltar has also had contact with the First Ministers of Wales and Northern Ireland. Work was undertaken to understand how Brexit would affect the nations of the UK, in particular in areas such as borders.

Mr Speaker, the UK Overseas Territories Association (UKOTA) continues to make regular use of the Gibraltar House facilities as a focal point. This allows all the Overseas Territories to work together to defend our common interests and to promote areas of co-operation between ourselves and also with the UK.

Nonetheless, the UK government was prompt to accept our argument that Gibraltar's position in the process of Brexit was substantially and materially different from that of the other territories which, though affected by the departure of UK from the EU in varying degrees, are not themselves departing the EU or so deeply enveloped in its structures. As a result, Gibraltar has had its own Joint Ministerial Committee (JMC), but has also been able to attend the Overseas Territories Joint Ministerial Committee as an observer.

The Brexit-related activity in Gibraltar House has come in addition to the regular presence of official and commercial entities holding meetings relating to financial services, policing and commercial matters. The facilities continue to be made available to the Friends of Gibraltar.

Mr Speaker, the UK Representative and the team in London have made a point of creating a close working link to Gibraltar through my office at No 6. The aftermath of Brexit has intensified political activity and considerably increased the need for the Chief Minister and I to attend meetings in London. This is a reflection of continuous contact with the UK government and with Members of both Houses of Parliament.

The main administrative area of the London office has therefore been transformed into a facility more able to support the regular ministerial presence there that Brexit has brought about.

The team at Gibraltar House have, over the last year, carried out extensive lobbying in the House of Commons and the House of Lords. This is directed at ministerial level from Gibraltar, where information flows back after the meetings have taken place.

On the same basis, the office in London liaises with UK government departments as the impact of Brexit unfolds. It also follows relevant think tanks and events providing analysis and information which informs and supports the Government's response to the challenges on the horizon. Where relevant, both Gibraltar House in London and in Brussels provide support and share information as well.

Gibraltar's UK Representative is officially included in the Diplomatic List and Gibraltar has therefore been represented at Palace, Westminster and diplomatic functions, where useful contacts have been made.

Mr Speaker, regardless of the exceptional impact of Brexit upon us, the regular links with politicians, former Governors and friends of Gibraltar continue. The Government has taken the opportunity to work towards a realistic reappraisal of how we should do this. Most significantly, Gibraltar Day in London has been completely refocussed. The reality was that both the scale and the cost had become unwieldy. This year, as my colleague the Minister for Commerce, Albert Isola, will no doubt relate, the financial services sector and the online gaming industry covered much of the cost of their events by hosting tables for key players.

The Chief Minister hosted his main political event at the Gherkin. This signalled that a modern and progressive Gibraltar is open for business. The event focussed that message on a well-attended gathering of ambassadors, peers, MPs and military figures in the presence of our former Governors. This was an audience of 200 people, in contrast to the 1,000-plus who used to be invited to the Guildhall in previous years.

Of course, many of those who attended the Guildhall events continue to be very good friends of Gibraltar. However, the high number of attendees from here was not really justified and the size of the event meant that our message was diluted. Instead, the Sunday mass in Fulham ahead of Gibraltar Day has become the focal point of our acknowledging the support of our many friends in the UK who are not just politicians but often members of the Gibraltar diaspora or who have served in varying capacities on the Rock and taken our cause to their hearts.

Mr Speaker, as well as helping to organise the visit by parliamentarians on National Day, Gibraltar House continues to organise the lobbying and the presence at UK party conferences. Last year we attended the conferences of the Conservative, Labour, Liberal Democrat and Scottish National parties. These are important venues for our lobbying effort, setting the tone for much of the year, not only with MPs but also with think tanks and policy makers.

The House will find it relevant to learn that following the UK general election, the team in London has been focussing on targeting newly elected MPs and it is important that this process continues. I would add, however, that most MPs tell us we are knocking at an open door and that support for Gibraltar, in both Houses, remains as staunch as ever – if not more so in the wake of Brexit. Therefore, Mr Speaker, the core focus of the work of the London office is political.

The London staff involved in tourism now work closely and directly to my colleague the Minister for Tourism through the Department in Gibraltar. The office continues to oversee the payment of allowances to sponsored patients.

IT and communications issues were identified for improvement at an early stage. It became clear that best use of the office could not be made with an 8MB ADSL line which served a building on five storeys. There were some practical issues to overcome, but the office is now served with a 1GB connection that links securely to No 6. videoconferencing via Skype is now in place for Ministers to continue to work between Gibraltar and the UK.

Mr Speaker, I take the opportunity to thank the UK Representative, Dominique Searle, and all the staff. Gibraltar House in London can be found at head 10, subhead 2(2)(a).

Mr Speaker, the Gibraltar Office in Hong Kong has been bundled together with London and Brussels under the Office of the Deputy Chief Minister. I explained last year that the bulk of its activities are commercial in nature. The Hong Kong office, for this reason, works with my colleagues the Minister for Commerce and the Minister for Economic Development.

The Government continues to lobby outside London and Brussels. At the end of March, I travelled to Washington for a series of meetings with Republican and Democratic Members of Congress and with the new administration. This included the Chairmen of the Foreign Affairs Committee, the Homeland Security Committee and the Foreign Affairs Sub-Committee on Terrorism, Non-Proliferation and Trade. I was able to update the leader of the Democrats on the Foreign Affairs Committee on Gibraltar matters.

There was considerable interest in Gibraltar in the context of Brexit and of our relationship with the UK and Spain. Direct briefings were given to the State Department Senior White House Advisor inside the State Department itself and to a meeting of senior staffers on the Foreign Affairs Committee of the Senate.

The visit led to more Congressmen signing on to the resolution supporting the right of the people of Gibraltar to self-determination, including two chairmen. There are now 27 supporters including the main sponsor. This resolution has to be tabled after each election and it was sponsored once more by Congressman George Holding, who is a good friend of the United Kingdom and of Gibraltar. I took the opportunity of the visit to Washington to present the Congressman with the Gibraltar Medallion of Honour, which had earlier been unanimously bestowed upon him by this House.

Mr Speaker, I now move on briefly to other matters.

The House knows that this year is the 50th anniversary of the 1967 Referendum. I had the pleasure of opening an exhibition a few days ago at the John Mackintosh Hall in order to mark this event. The exhibition opened 50 years to the day when the holding of the Referendum was announced in the House of Commons by the then Minister of State for the Commonwealth, Judith Hart. In her statement to the Westminster Parliament, she delivered the pledge that 'decolonisation cannot consist in the transfer of one population, however small, to the rule of another country, without regard to their own opinions and interests'. This was, Mr Speaker, a key moment in the history of Gibraltar and in our development and evolution as a people.

In 1967, British sovereignty came to depend not on force of arms, nor on the clauses of an ancient treaty; it now depended on the living wishes of the people who had settled in Gibraltar after 1704 and who were given the choice 50 years ago of remaining under British sovereignty or transferring that sovereignty to Spain. The result, as the House knows, was an overwhelming endorsement of the continuation of British sovereignty.

The Government has taken the view that this important event is worthy of commemoration as one of the landmarks in our historical evolution as a people. The exhibition will remain open until 7th July. There will be a memorial event and concert in the build up to National Day.

A set of postage stamps will be issued to mark the Referendum. I am grateful to my colleague, the Minister for Commerce, Albert Isola, for his assistance with this. A set of commemorative coins and coins for general circulation will also be minted to mark the anniversary of the Referendum. I am grateful to my colleague, the Minister for Economic Development, Joe Bossano, for his assistance with this.

A commemorative booklet will be published and circulated to schools in Gibraltar. It is important that younger generations are aware of the events that have shaped our distinct identity as a people. The House will recall that a similar booklet was also published in 2015 to mark the 75th anniversary of the wartime evacuation and that this was also distributed to schoolchildren in Gibraltar at the time.

I am told that National Day, the actual anniversary date of the Referendum, will be extra special this year. Referenda in general will be the theme of the annual symposium that will take

place at the Garrison Library in the autumn. There are other events in the pipeline which will be announced in due course.

Mr Speaker, I am grateful to the archivist, Anthony Pitaluga, and his staff for their assistance and support in developing this project, and also for the general enthusiasm with which they go about their work.

Mr Speaker, I also welcome the opportunity to update the House on progress with the Northern Defences. As part of the Government's commitment to our unique heritage, the Northern Defences project will continue. The aim is to clear Hanover Battery, the Queen's Lines and the King's Lines which are located in the north face to the east of Laguna estate.

Hanover Battery and Hanover Gallery were named in honour of the Hanoverian regiments who helped in the defence of Gibraltar during the Great Siege. I am pleased to report that there has been interest from historical sectors in Germany in pursuing this connection further and that the Government is keen to do so.

Works during previous years focused in clearing up tons of debris, vegetation and asbestos within numerous tunnels and buried fortifications. This was a seemingly impossible task. The fruit of such hard work is now visible with the exposing of the Princess Lines, the Queen's Lines and associated galleries. Such an investment has exposed a series of bunkers, battlements and gun placements which range in time from the 18th century to the Second World War.

These works have highlighted the importance that the King's and Queen's Lines have had in the defence of Gibraltar. Their value is immeasurable from a historical perspective. The potential as a visitor site is truly remarkable as the site links Casemates Square to our Great Siege Galleries via the WWII Tunnels in the Upper Rock.

Mr Speaker, the option to explore Fortress Gibraltar is a vision that will soon become a reality, offering an excursion to visitors and residents which will complement the offers that already exist. Works during the summer months will address Hanover Battery whilst secondary teams will clear the King's and Queen's Lines throughout the year. The Government is very grateful to the Gibraltar Heritage Trust for the tours of the Northern Defences that they have conducted. These are set to resume in September and will provide residents with a first-hand impression of this buried jewel as we continue to uncover it.

I also want to take the opportunity to thank the Royal Engineers for their work on the site which continues at regular intervals throughout the year. It is very fitting that the modern-day descendants of the corps that constructed those defences are now assisting in their restoration over 200 years later. The Northern Defences can be found at head 102, Projects, subhead 4(f).

Mr Speaker, the ongoing work in relation to Brexit continues to consume a large proportion of the Government's time. The Chief Minister and I are both closely involved in the process. This means that there may be occasions when it may take longer than we would like to get round to a particular issue that matters to someone. The aim of the Government remains to continue to balance the Brexit work and the business as usual work so that everything gets done. In the cases where that may not happen we can only apologise in advance.

The hectic pace that we saw in January, February and March will probably take off again now that the general election in the United Kingdom is over. A considerable volume of work happens behind the scenes and is not reported. Nonetheless, our ultimate objective remains the delivery of our manifesto which contains the commitments that we entered into with the electorate.

Mr Speaker, I want to take a moment here to congratulate John Collado and Charlie Russo of Land Property Services Ltd (LPS) on their retirement this month. They have been in public service for over 30 years and in 1990 both moved from the Crown Lands Department to what became LPS. I have worked closely with them since December 2011 and wish them a happy retirement. I take the opportunity to thank them and the team at LPS for their support and assistance in that time. I also wish to thank the Lands Office in Convent Place and my personal staff at No. 6, Coral, Caine and Ernest.

Finally, Mr Speaker, I close by thanking you and the Clerk and the staff of the House for the assistance and support that I have received throughout the year. Thank you.

Chief Minister (Hon F R Picardo): Mr Speaker, the Minister for Economic Development is having a heated argument with a heated printer and I therefore move that the House recess for 30 minutes.

Mr Speaker: We will proceed for some refreshments; a short recess.

The House recessed at 5.55 p.m. and resumed its sitting at 6.30 p.m.

Mr Speaker: The Hon. Joseph Bossano.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): Thank you, Mr Speaker. I regret that technical problems almost prevented me from delivering what I need to deliver.

Mr Speaker, last year in my contribution I concentrated on how the Ministry for Economic Development assessed the impact of the UK decision to withdraw from the European Union on the global, EU and Gibraltar economies, especially in respect of our ability to achieve the target in the four-year National Economic Plan.

I expected to be in a position to update that assessment this year based on the developments that have taken place in the preceding 12 months. However, the goalposts have been moved, if not indeed altogether removed, by the results of the UK general election which without a doubt had both a political and an economic impact on us. I am sure Members are familiar with the saying that a week is a long time in politics. The eight weeks between April's notification and the UK general election result in June have been a millennium in terms of the changes in the context of Brexit. If it was difficult to hazard a guess a year ago, let alone make a prediction, the position now is one of sheer impossibility.

As far as Gibraltar is concerned there is still the same government in the UK and the commitments made before the elections still stand. Moreover, the better performance by Labour candidates has meant that all our staunch supporters are back in Parliament, whereas at the beginning it looked as if many of them were at risk. So the political effect on us from the changed composition of the Commons is not necessarily a negative one since in addition the Democratic Unionist Party, on whose support rests the survival of the Conservative government, are staunch past supporters of Gibraltar's right to remain with the UK. However, the negotiating position of the UK government is considerably weakened given the inevitable consequences of the platform on which the election was called and fought.

In the UK the Prime Minister asked for a strong mandate and argued that unless she got one the UK would not get a good deal from the EU. Since the mandate has not been obtained, the prospects of a good deal are reduced by definition. The good deal would have been the deal that would provide economic benefits and reduce political liabilities, and even though we might be excluded by the disgraceful position of the 26 member states that capitulated to the demands of Spain at our expense, it would still have been better for the UK and for Gibraltar that the UK should have a stronger economy rather than a weaker one. However, in the UK itself following the newly elected Parliament, not everyone agrees on what is best for the UK economy. The official line still is that 'no deal is better than a bad deal'. However, the bargaining chips and the positions have now changed.

The first meeting at the start of the negotiating process has seen the EU rejecting what the UK considers a very generous offer to grant EU citizens already in UK permanent residence if they were already there on the day the Article 50 button to leave was pressed and triggered the process. The EU wants the date to be at the end of the negotiating period, which is a departure date of March 2019. If the UK offer applies to three million EU nationals then a date in two years' time with no limit on movement beforehand means potentially a *much* bigger number;

and this is the first and the immediate hurdle. There are going to be many more to contend with, leaving the UK in the most disadvantaged position that it is possible to imagine with a united 27 EU states with a single policy position and on the other side of the table an internally divided UK with a precarious government in place.

Some observers see this situation as a possible opportunity for a new referendum and a different result. Nothing can of course be ruled out, but I would not put my money on this option materialising.

Already there is a clear move by Germany and France on further integration of the EU in areas which the UK would have objected to before the referendum. The recent early recovery of the EU and Eurozone economies with unexpected signs of growth, although at a very low level, has encouraged EU member states collectively to start thinking that maybe they would be better off without the UK after all. The comparative economic performance of the EU 27 on the one hand and the UK on the other will have a considerable impact on the negotiating process.

For the UK the danger is the difficulty in being a minority government having wanted to take a strong line. At present these issues are being reflected in the weakness of the exchange rate which looks set to continue. This is helping the UK manufacturing sector with record exports being achieved and very high order books, but manufacturing is no longer the dominant sector of the economy. The weak pound has an effect on our own economy as well and may be of benefit in terms of our prices for visitors from countries other than the UK. The strong performance of the private sector in the last financial year, however, may not be repeatable in the current year with so many imponderables that it is impossible to make any kind of sound judgement. In terms of the existing economic model, we need to continue developing the initiatives and the areas of the economy that are showing growth until we are better placed to be able to assess what is the likely outcome in two years' time.

Dealing with training for employment, I would remind Members that the number of persons in employment is one of the indicators of the direction in which our economy is heading, as is the level of earnings. It is also an important factor that reflects the success we are having in filling job vacancies from the available local workforce as a result of the apprenticeships and the other initiatives under the Future Job Strategy.

Last year I made clear that although EU funding will be lost if the predicted 2019 exit takes place, this will not affect the available resources since the Government is committed to ensuring that we continue to provide the financial resources to back up the Training for Employment initiatives. As was clear in answer to a question in the earlier part of this meeting, these initiatives since 2012 have provided an average success rate of over 66% to date based on unemployed persons being taken on by the placement providers following training, skills enhancement or apprenticeships.

The vocational training scheme under the GSD Government claimed a 28% success rate in jobs take-up after leaving the VTS system. In 2012, the Leader of the Opposition argued that the results of the new system were no better than theirs on the basis that 28% of those who had started in February of that year had obtained employment by the end of December, 11 months later. This, however, as I explained at the time and in answer to questions at this meeting, was because the new condition of a commitment to employ could not be required of the private sector employers who prior to January 2012 had no obligation to employ trainees for whom they had provided placements. This meant that in 2012 many of those who had transferred to the new system had no offer of employment and no prospect of such an offer from their placements coming forward from 2011; they therefore had to be redeployed to public sector placements until a new position in the private sector, suitable for them and their skills, was identified, which is what happened in the years that followed.

As I also made clear – repeatedly, in answer to questions – trainees placed in the public sector did not have a priority for vacancies but had to compete with other applicants from outside the public sector when such vacancies were opened. The exception to this rule was, and

continues to be, the apprenticeships that were commenced for carers whose training enabled them to take up employment in the Care Agency.

745 I remind Members, Mr Speaker, of why it was so important to introduce these apprenticeships. Before 2011 the criteria for employment in the Care Agency was a requirement for care-specific qualifications or evidence of having worked in a care environment, for example in an elderly persons' home. Although the GSD Government professed to be committed to prioritising job opportunities for the local unemployed it was impossible for the local
750 unemployed to meet these criteria, but relatively easy for somebody from outside Gibraltar to appear with a letter showing a record of employment in the sector. This led to a situation of increasing dependence on outside labour as local people were replaced on retirement from the only source that met the criteria. By introducing the training programme for carers for people previously unemployed and with no previous experience, we have been able since 2011 to
755 reduce our dependence on frontier workers in an area where it is particularly important in the light of not knowing how the fluidity across the Frontier will operate after 2019. (A Member: Hear, hear.)

This year a similar facility for apprenticeships for nursing assistants was introduced by the training company, and those completing their training are automatically assured of a position as
760 nursing assistant. The present group will in fact be taken on next month, in July. (A Member: Hear, hear.) By 2013-14 the average ratio of persons completing their period of training and then being taken on had risen to around 60% and the latest ratio of those obtaining employment on leaving the training programmes up to April is now 66%. We expect this to improve with the passage of time.

765 I am not sure, Mr Speaker, whether the divide between the two sides of the House in the area of training is real or simply the consequence of the difficulty that Members of the Opposition may have in accepting that they were wrong in predicting in 2011 that we would fail in our Employment Strategy. I am prepared to give them the benefit of the doubt that when they first took that position in 2011 they were genuine. After all, if they had failed to achieve
770 results in their 15 years under the leadership of the greatest living Gibraltarian, why should they believe we would do better? However, later in 2012, in the debates on television in which the Leader of the Opposition participated with me, then as spokesman for employment, he was honest enough to say that although he still believed I would fail to deliver the employment and economic growth targets that I had set myself, he would be happy if I proved him wrong for the
775 good of Gibraltar.

Well, Mr Speaker, I have proved him wrong. So why are they still saying after the General Election of 2015 that the strategy has been a failure? Last year the Hon. Mr Phillips told us: 'It is no secret that we are fundamentally opposed to the Future Job Strategy, it fails to deliver what it says on the tin. It is reactive, inflexible and inspires us with little confidence that the
780 Government is committed to the delivery of skills for a modern workforce'. Another Member said, 'Hear, hear' – but I do not remember which Member it was. (Laughter) It was not on this side.

Well, Mr Speaker, the strategy *does* deliver what it says on the tin, that is what I wrote on the tin, not what they chose to reinterpret to use against us. The first reading of the label on the tin
785 by Members opposite was that I had promised unemployed persons not just a job in a Government-owned company at the national minimum wage whilst training, but a job for life in Government, after which of course, was never true and has not happened.

The next rendering of the tin label was by the greatest living Gibraltarian himself when he asked me to acknowledge in Parliament that when I failed to get the trainees employed in the
790 private sector, as he expected, I would have to keep the trainees in Government permanently because I should know that those were the political realities. Well, we might have faced this dilemma if the private sector had not co-operated by entering into legally binding partnership agreements and if the agreements had not provided for full reimbursement for failure to employ. Of course it is possible that their scepticism was the result of the experience of the GSD

in Government when they only managed to get 28% of their trainees into employment and considered this a great achievement and success, anticipating that we would do no better.

The next objection of Mr Phillips was that in their view what we needed was ‘real training’. Well, Mr Speaker, we have been training nurses and carers, mechanics and electricians, welders and maintenance craftsmen skilled in masonry, tiling, plastering, painting, carpentry and plumbing. We trained bus, coach and truck drivers. All unreal. We have a Gib Doc facility and a Construction Training Centre which we created in 1996 and the GSD operated them between 1997 and 2011 and we took over again in 2012. So these entities and these training programmes the Opposition believes provided unreal training up to 1996, switched to real training in 1997, switched back to unreal training in December 2011 and all the professionals employed in the various stages of the training programmes are now impatiently waiting for Mr Phillips and the GSD to get elected into Government so that they can then switch back again to real training. *(Laughter)* It is difficult to describe something more detached from reality than the above. The Hon. Member also said commentators had called the training ‘Soviet-style’.

Alongside the training provision where my Department is investing in skills creation for the benefit of the private sector and the economy, we have the requirement in the approved contractor list, also operated by the Ministry for Economic Development in support of the Procurement Department. If public funds are being spent in procurement of goods and services, it seems reasonable that we should require the providers of such goods and services to be approved and require them to give priority of employment to the local unemployed, given that this employment in the final analysis is the result of the publicly funded demand for goods and services. It is fair and it makes economic sense.

This is something that has, on one occasion to my knowledge, been described as Soviet-style – and I understand why. The ‘approved contractor’ concept, as I have explained in the past, required the employer to accept candidates selected by the employment service and requires the private company that employs the candidate to seek the permission of the Government to terminate such employment during the life of the contract. I accept that this sounds quite draconian, even though I welcomed it when it was introduced by the GSD, on paper at least, in 2010 when it was done by the greatest living Gibraltarian – who, whatever other characteristics he might have had, could not have been described as an admirer of the Soviet system *(Laughter)* unless, that is, one thinks that the Soviet system operated in a dictatorial style.

So I am sorry to say that in my assessment the Member opposite just strings a set of slogans together because he thinks they are good soundbites without rhyme or reason. He downgrades our strategy in his thinking by saying that we are determined to pursue a policy of ‘plugging the skills gap’ as if this were a bad thing. In the last election he was saying that the problem was that there was a skills deficit which we needed to meet.

So is that the difference between us? We fill a gap in skills and he wants us to meet a deficit in skills! He says I do not understand the message: he is right, I do not think anybody understands the message, Mr Speaker. *(Laughter)*

He tells me we need to focus on sowing the seeds of growth, even though the green shoots may not be visible for some time. Is the hon. Member talking about the Gibraltar economy or the Greek one? Green shoots, Mr Speaker, is terminology used about an economy in the recession, expecting to show barely visible signs of recovery. The Gibraltar economy is not barely showing visible green shoots; the Gibraltar economy is showing an expanding rainforest. *(Banging on desks)* The economic growth in private sector employment in 2016, when he was talking about barely visible green shoots, has been greater than in any one of the 15 years that the GSD was in Government.

Mr Speaker, the Hon Mr Phillips is wrong when he says I am not prepared to engage with him. My failure is not because I have tax-free rose-tinted spectacles as he claimed last year, my spectacles continue to be plain vanilla NHS high street Boots, typical of the working classes. In fact, I do not even know what rose-tinted ones look like.

My failure to engage is much more simple. There is nothing to engage with him on, because he is not able to substantiate what he says and I do not believe him. He said in 2015 that employers were crying out for apprenticeships. Since the General Election he has been incapable of delivering these employers. I said, 'They do not need to be to crying, they just need to contact me'. I am available seven days a week and no employer has asked to see me to take on apprentices and been refused a meeting. He says this is not true, but will not give me one name of one employer. I have said to him to get in touch with them and ask them to contact me – but no result. I invited interested employers in my last Budget speech a year ago to do so – no one has taken the invitation up.

He says there are companies that have approached him, having previously approached me or my Department with nothing less than 'impressive plans for creating opportunities for young people', but that they tell him my Department is not interested. I can assure him that if this had happened – which I do not believe to be true – the person that showed no interest without making me aware of it would have to answer for it. He says these companies care about providing opportunities for young people and getting Gibraltarians into the IT world. Who are they? No one other than Mr Phillips knows. It is the best-kept secret in Gibraltar. I challenge him to ask permission from the companies to let me have copies of their impressive plans, which in any event, he says, they claim I already have but I am not interested in. Why should I not be interested, Mr Speaker? No, there is not one word of truth in any of this. My Director for Economic Development has written to over 800 employers asking them if they are interested in taking on apprentices. These are employers registered with the Employment Service as having more than five employees. They have been selected because they do not include those already working with us and because below a level of five employees it is difficult for an employer to have the resources to take on apprentices.

He says if I follow his advice – which I cannot because it is not specific enough – we can make 'Gibraltar an even better proposition, just as Tel Aviv and Budapest have done'. Well, what is it that they have done in training people for employment, Mr Speaker? I can tell hon. Members that the only thing I have been able to find is an entity that claims to be the biggest training provider in both places. It is the same entity, the Knowledge Academy of Hungary and the Knowledge Academy of Israel. It claims it is the largest training provider in Hungary and its counterpart in Israel claims the same. They claim to provide motivational training. I do not know if this is what the Member thinks is required to 'unlock and harness the opportunities that young people present'. But if he sends me what he says is happening in Tel Aviv and Budapest that we need to imitate here I will certainly have it investigated.

I am not sure whether these initiatives are the ones that will rid the community of the culture of entitlement and expectation that has become so endemic in our society, as he pointed out. Certainly if it has become endemic, it was not endemic in 1996; but I can give him chapter and verse, if he wants, of the more incredibly irresponsible initiatives introduced by the GSD in the last 15 years which helped to cultivate the culture, are extremely difficult to reverse and have created severe existential risks for the future success of our economy.

I do not know where Gibraltar will be in 20 years, Mr Speaker, like he suggested I should. I do not even know where it will be in three years, in 2020; but if the hon. Member thinks he does, again I am happy to assess where the growth of our economy will come from in 20 years if he has the ability to carry out such an exercise.

I would like also to comment on some of the issues raised by the Hon. Mr Clinton last year in relation to accounts and the use of companies. I welcome the fact that on the need for a rainy day fund, he describes himself as my soulmate – I am happy to have him as a soulmate. (*Interjection*) and I also welcome the support of the concept (*Interjection*) from the Leader of the Opposition last year. This acceptance of an initiative that is in the long-term interest and for the protection of our country is essential, and regrettably did not exist under the previous leadership of the GSD, who shortly after coming into office rubbished the idea, said I was hiding money in piggy banks and the leader of the party promptly emptied all the piggy banks, as he

called them, so that he could start spending the money. He then engaged in a continuous use of public funds to deliver things which he thought would get him votes, in spite of the fact that what he was doing was emptying the war chest that had been built up from nothing over a period of eight years.

The rainy day fund was a relatively new idea then, in 1988. The closest parallel was the sovereign wealth funds that a number of countries build up by putting aside a part of their revenue streams either because of their small size or because of the narrowness of their revenue streams. We suffer from both of these limitations and when public revenues are high public expenditure needs to be kept under control so that if a sudden unexpected change affects revenues essential services can be kept going. The classic contrast is what Norway and the UK have done with their supply of hydrocarbons from the North Sea. The first has built one of the strongest sovereign funds in the world and the latter spend the money on meeting recurrent public expenditure and have nothing now to show for it.

The rainy day fund policy does not serve the short-term prospects of the politician of the day who is only interested in vote-catching and the chances of re-election, but it is vital for the long-term survival of the country and therefore I am very glad that the policy should be subscribed now by Members on both sides and that both should support and defend this concept and not allow an incoming government to simply spend in one go what has taken years to build up – unless of course it is used for what it is intended, namely to preserve essential services that are at risk from an unexpected drop in revenue. With Brexit looming in 2019 there is no better time than now to understand the importance of the concept.

I will not go into the differences between the Members on opposite sides as to where the funds should be kept, but I need to remind Members of what happened to the Community Care war chest. The GSD toyed with the idea of taking the accumulated funds from the charity back into the Government in 1996, but then settled for a more surreptitious strategy, revealed publicly in 2010 for the first time, which was running it down by withholding first the recurrent cost payments and later the capital protection payments. Both actions involved breaking electoral promises and breaking commitments given in this Parliament.

If the money had not been in the hands of the charity and had been easier to get at, it would have disappeared at the beginning of the 15 years instead of at the end. So it is a very healthy development for the long-term future of our nation that the competition between the two sides of the House becomes one over who will *save* more instead of over who *spends* more, as it has tended to be when the greatest-spending living Gibraltarian was running the show. *(Laughter)*

When the Leader of the Opposition has been praising my cautious approach to spending and accusing the Chief Minister of not listening to me, he sometimes gives me the impression that he is trying to get us to quarrel. He does not need to do this; he should remember that quarrelling amongst ourselves has always been the way we do things in the GSLP. *(Laughter)* In the Government, as I am the Father of the House, like a good father I always urge my colleagues to be careful with how they spend people's money.

I also want the Leader of the Opposition to understand what is wrong about what in his assessment is happening with the commutation of Civil Service pensions, since this is something which I am responsible for, as I devised the system, and I am glad that last year he said it was a jolly good idea. I am not sure if he is still of that view because he seemed surprised when I said it, and I was in fact quoting him.

I will just give him a figure to take note of, because he says we are replacing the cost to the Government. The cost to the Government in the budget for Civil Service pensions in 2010-11, the last year before Credit Finance came in with the new system, was £27 million. The estimate for the current financial year for the Government is £38 million.

Another issue raised by Mr Clinton has been the use of companies. He said last year:

Normally, all capital expenditure is reflected in the Improvement and Development Fund, and yet low-cost housing never appears in the estimates ...

– he says, because we are doing it with companies. Well, perhaps what he meant to say was, ‘Normally, prior to 1996, approved capital expenditure used to be reflected in the Improvement and Development Fund, but when my party came into government they started using
950 Government companies instead.’ Maybe that is what he meant.

Perhaps he did not know this and did not intend to hide it. But if he did not know it, he could have asked the current leader of the GSD because it was happening in 2010 and in 2011. However, what he must surely know is the even bigger picture, because that has featured in previous debates and in the election campaign. This is that there was a programme of capital
955 works of the order of £1.5 billion which was not going to feature in the Improvement and Development Fund. This was going to be managed by a private company which had a commission on the whole value of all the contracts put together. This was going to be financed by raising money through Government companies, thereby not being recorded as public debt.

All this was being done by the GSD when the present Leader of the Opposition was a Member
960 of the Government, which means that although we knew nothing of the details of this until after December 2011, he must have known it. Presumably the greatest-spending living Gibraltarian trusted him sufficiently, having anointed him as his successor, to have shared the information with him; and if he did not, then maybe the present leader of the GSD may wish to revise his assessment of his predecessor and decide that he was not the greatest living Gibraltarian after
965 all, just the biggest spender of all time. *(Interjection)* If the hon. Member opposite does not know the details of this £1.5 billion package then he should ask the leader of the party because I seem to remember recalling that during the debates on GBC the GSLP leader gave him a copy of the document that we had found in 2011.

In 2009, for example, Government companies were spending £47 million, which did not
970 feature in the Improvement and Development Fund, the bulk of the money being spent on housing projects. In 2010, £31 million was programmed to be spent by the companies and outside the Improvement and Development Fund. In some instances – for example, car parks – this was started in the Improvement and Development Fund, then moved out and put under a company that raised money from a bank, not public debt, on the strength of the expected
975 revenue yield from parking cars. However, at a later stage the banks decided that the revenue yield for the car parks did not meet the criteria for providing the finance, so the project was switched back into the Improvement and Development Fund.

I can tell Members opposite that when this was happening by the Government, we in the Opposition at no stage imputed improper motives to them, accuse them of breaking any
980 constitutional obligations, saying they were hiding money to keep the Opposition uninformed – none of those accusations were made when they were doing it, and they were the first ones to do it.

The hon. Member therefore needs to understand what we inherited from his party in Government in recurrent commitments and in capital commitments, things that we have had to
985 honour and meet vastly inflated costs compared to the original estimates, things that I would have strongly opposed if they had formed part of our manifesto. It is also true that in many instances we have carried on using the same private sector consultants to manage new projects, and they have proved as incapable of containing costs for us as they were for the GSD administration. My additional responsibility for procurement and public sector efficiency will this
990 term, I hope, deliver better results. **(A Member: Really?)**

I welcome also the fact that Mr Clinton agreed with me that debt itself is not evil, last year – I am not sure what is happening this year. My position in the 45 years that I have been here on either side of the House has been the same. We may need to have a debt ratio because that is
995 the norm that exists and it is established for country-to-country comparisons of the level of indebtedness. The EU standard was 60% of GDP and it continues to be the theoretical level that EU members should go back to – they are all way above the 60% now. Ours is 40% of GDP which is considered in today’s world a very low figure to have to keep to, when in practice we are already well below this level, as the Chief Minister demonstrated in his opening statement.

1000 What matters has nothing to do about exposure. This year the UK has a borrowing requirement of £65 billion to cover its deficits. Nearly every country in Europe uses debt to meet recurrent expenditure. We in Gibraltar, since the GSLP Government introduced the concept in 1988, have limited borrowing, irrespective of the level, to the financing of capital projects only, and that is still the case. So therefore, anything that is spent on capital projects cannot be having an effect on recurrent revenue or recurrent expenditure.

1005 I would also like to address the issue raised by the Member in respect of public accounts estimates, etc. His position when we compare his criticisms with the performance of his party in Government is that we must not go back to the past. Other new Members tend to say the same. Can I therefore remind him, and them, that the GSD spent most of their 15 years comparing everything with the past? It claimed to be doing better than the GSLP between 1988 and 1996
1010 on everything they did. The Member's response would be because the GSD did this, it does not mean that we have to do it. He is right of course, but we are not doing it because they did it, and we do not do it as often as they did, but we are certainly not doing it when it is not true.

On the public debt, for example, the GSD claimed that their net debt was at a lower level than what we had left it at in 1996. This, even though we left it when calculated using their
1015 methodology at zero, so how could they have it at lower than zero, Mr Speaker? And even that was claimed. We will certainly not wish to make any comparisons as stupid as that one! *(Laughter)* But if in government the GSD spent 15 years running down Community Care and promised in an election campaign to close it down, then it is legitimate to mention this whenever Members criticise what we are doing in relation to the independent charity. The
1020 Leader of the Opposition has said that this is no longer the policy of the GSD, but he needs to remember that he was part of the Government when allowing Community Care to continue was described as a ticking time bomb that would blow up our economy.

Let us take the Hon. Member's comments last year that we have to change our public accounts system because he thinks that it should be so. If the Hon. Member questions whether
1025 we put enough money into the General Sinking Fund, he needs to remember that we set up the General Sinking Fund before 1996 and that his party got rid of it after 1996. So the GSD in 15 years never had a General Sinking Fund, so never mind how little we put in it – they just did not have it.

We have a manifesto which says to the electorate the things we will do if we are elected into
1030 Government. This is how the political system of western democracy works. This is not just what we are entitled to do in Government; this is what we are required to do even if the hon. Members opposite that lose the election do not agree with us. We have not sought a mandate to implement the things that are in the manifesto of the party that loses the election and goes into opposition. Even less do we have a mandate to change the public accounts system that had
1035 been there for 45 years, which is a major change in the management of public finances which features in no one's manifesto.

Most countries have cash accounts for government revenue and expenditure and
1040 parliaments approve spending on a 12-month cycle. This has nothing to do with a hangover from the colonial days, or the fact that the economy is now more complex and sophisticated than in the 1950s, as the hon. Member suggested last year. The revenue and expenditure of the Government has nothing to do with the sophistication or complexity of the economy, other than that the expenditure could then be an item to deal with areas of the economy that are new and were not there before.

The methodology of the annual budget applies to most other countries irrespective of
1045 whether they have had a colonial past, whether they are large or small or whether they have complex or simple economies. If we were covering three years of expenditure as a minimum, as he suggested, then this year would be his last Budget speech and we would now be looking at the expenditure projection for 2019-20 in the middle of Brexit. Does he not realise that it is difficult enough in a small open economy like ours to be able to come up with realistic estimates
1050 of revenue, and that we cannot always keep the expenditure under control as we should and

would want to? Trying to do it for three years or longer is a crystal-ball-gazing exercise, not a matter of sensible accounting practice.

As to why the Government only forecasts the four-year GDP and not anything else, of Government revenue and expenditure, the answer is simple: first of all, it has been me in
1055 Government or in Opposition that had been making the predictions, and in order to be able to do this with any degree of accuracy one needs to develop many, many man hours devoted all the year round in order to identify the correlation of the indicators that provide an indication to the economy's performance. The figures in the estimates are the results on the revenue side of the Treasury's expectations based on recent income flows as to what the revenue is likely to be
1060 over 12 months. And the actual expenditure in the Budget, unlike the GDP, is a matter that is the area of the controlling officers of those budgets who then come up with the expectation that they have of how they will be able to deliver the services that are required with the expenditure that is available. The methodology of the public accounts and the GDP are two totally different things. Only the economic growth impact is where it is more likely that Government revenues
1065 will benefit if there is higher growth, but even in this area there is no guarantee as there are many variables involved.

Mr Speaker, I am responsible for the Gibraltar Savings Bank, and I am happy to report that the Gibraltar Savings Bank – the people's bank – continues to prosper and grow. Mr Clinton says that their attacks on the integrity of the operation of the Savings Bank should not be castigated
1070 by me as if it were an act of treason – that is what he said last year. Well, it is not an act of treason, simply because it is failing to achieve its aim.

During the General Election they came up with propaganda that painted a picture of the Savings Bank operations being raided, as if somebody was making off with the deposits from the public. He has been a banker and he knows exactly what he is doing by suggesting that the
1075 money in the GSB is not safer than in any privately owned bank. I have explained the rationale and I have explained that it is a key element of our economic strategy and a key constituent of our economic growth. I have explained why and how we do not have liquidity problems, all to no avail.

In other areas of debate on the economy, the labour market or the structure of Government
1080 accounts, I might be willing to make allowances for the fact that they deal with issues which the hon. Member was not familiar with before coming here, but on the Savings Bank there is no excuse – he knows full well that his criticism is baseless and that if it were believed it would be very damaging, damaging for the Savings Bank and damaging for all of us. Therefore, as I say, if he had been successful with the scaremongering the public would have been taking their money
1085 out and Gibraltar would have been the poorer for it. However, I am happy to say that nobody has paid attention to it and that we continue to attract increasing investments from existing and new customers.

This year, £220 million-worth of debentures reach their maturity date and we have
1090 £220 million in ready cash to pay our customers if they need or want their money back. Not many banks can say that. All the indications we have are that the vast majority of our customers will reinvest all or nearly all of their cash with the Savings Bank, which is a vote of confidence in the institution for which I, as Minister responsible, want to thank the investing public and to reassure them that they will not find a safer home for their savings, and that it is important for them to know that we are putting their money to work for the betterment of Gibraltar.

The Leader of the Opposition thinks there is something wrong in doing this because the GSD
1095 kept public deposits in cash – and he has repeated that this year. Well, we have a mandate from the people, who elected us in the knowledge that, as we did between 1988 and 1996, we would run the Savings Bank at a profit and leave those profits accruing year after year, to be used only in case of a national emergency – one of the key constituents of the rainy day fund, as was the
1100 case up to 1996, a rainy day fund which incidentally the GSD did not support in 1996 and in 2011 but now does, I think.

Mr Clinton also asked that I should include not just the profit and loss and balance sheet of the Savings Bank in the report I send to all our investors, but also the two pages of individual investments. He says I am not being transparent by not doing this. I do not agree, Mr Speaker. I provide the list of investments every time he asks, which is almost every month, and this information provided in Parliament is in the public domain and available to everyone, not just to the investors in the bank. I know of no bank that produces a list of all their investments every month – or once a year, or at all; they produce their balance sheets and a profit and loss account. He wants not just the investments, but when he gets the investments he wants to know what the entity that we invested in is doing with the money that we invested. There is no end to it.

It is standard to supply customers of deposit-taking institutions with a copy of the profit and loss account and the balance sheet, which is what we do and something they never did in 15 years – at the same time as they ask us to do more. They say they would not run the Savings Bank as we are doing, so presumably the Savings Bank will only survive while we are in Government, because the last time they had the responsibility for it, it finished with £70 million in deposits, although the Leader of the Opposition said it was £27 million, from the public and £1,442 in reserves. Now the public has nearly £1 billion deposited with us and the GSB forecast cash reserves for this year are almost £32 million. Both figures are to be found on page 224 of the Estimates Book.

Mr Speaker, if we now look at the size of the labour market as a whole, the Employment Survey Report for October 2016 shows continued growth for the financial year just ended. Last year I analysed, for the benefit of Members, the statistical information in the report to demonstrate that Opposition Members were wrong in attributing the growth in the economy to the growth in the size of the construction industry labour force. I showed that it was not the case that a publicly funded construction boom had been engineered in order to achieve the growth targets of the Government. I also demonstrated that what the figures indicated was that such an analysis could be applied, but that is to the situation under the previous GSD Government up to 2011 – that is 2010 and 2011.

Mr Speaker, I do not know whether there is any point in repeating those statistics for the benefit of the hon. Member, because clearly everything the Leader of the Opposition has said today was still insisting on that myth. I do not know whether it is that he does not understand the explanation and he genuinely believes it, or that it suits him to ignore the explanation and carry on saying the same thing. But there is no escaping it. I have been able to demonstrate last year and I can demonstrate with this year's Employment Survey that the growth is not in the construction workforce. This year we have had economic growth; this year the workforce in construction has gone down and the non-construction sector has gone up. So how can he tell us this year that it is obvious to him that there is construction going on employing fewer workers and that is responsible for the growth in the economy? And moreover that it is being financed by Credit Finance or the Savings Bank or whatever else he thinks is appropriate.

The figures for this year confirm the trend that I predicted for the construction industry. I said last year the construction industry was likely to shrink and it has happened – it shrank between 2015 and 2016. I estimated that the size of the workforce as a whole would probably remain static, that is that the growth in employment levels in other sectors of the economy would just about make up for the loss produced by a smaller construction sector – that was my prediction last year. I am happy to say that my estimate was too cautious – I was wrong – and that the increase in non-construction jobs has been substantially greater than the number of jobs lost in the construction sector.

The figures are as follows. In 2015 the private sector grew by 1,629 jobs from 18,441 to 20,070. Over a quarter of the growth took place in the construction industry, where the number of jobs went up from 2,586 to 3,106, which was an increase of 520 – that was the previous year. This was a level only slightly higher than October 2011 under the GSD who had engineered the construction boom when it hit 2,922, an increase of 755 jobs in construction in one year

compared to October 2010. So they say they were not having a construction boom in order to create economic growth, but they actually employed 754 people between 2010 and 2011 in the non-existent construction boom. We say we do not have a construction boom, but they insist that we have one but we are employing fewer people in construction.

What can I do to persuade him that he is barking up the wrong tree?

Chief Minister (Hon. F R Picardo): He is just barking – up the wrong construction.

Hon. J J Bossano: From October 2015 to October 2016 the construction industry shrunk, as predicted, by 303 individuals, dropping from 3,106 in October 2015 to 2,803 in October 2016. By contrast, in the same period the rest of the private sector, excluding the construction group, went up by no less than 1,210 jobs – a better result than the increase between 2014 and 2015, which was 1,109 jobs *outside* construction, but still a very respectable rate of growth when compared to previous years.

The growth in private sector jobs excluding construction from 2011 to 2015 was 2,928, in four years; and from 2011 to 2016 it has been 4,138. So in the time that we have been here, since December 2011, the non-construction private sector has employed 4,138 more people. By comparison, under the GSD, that falsely claimed to be creating an expanding private sector, the four-year non-construction record of 2007 to 2011 was a mere 698.

So they do not have a construction boom, the private sector is growing but it is not a construction boom and they only employ 698. We have a construction boom but we employ 2,928. In their five years they produce 1,400 non-construction jobs and in our five years we produce 4,138, and we are the ones with the construction boom. Maybe clearly this time I have succeeded.

I have to say that though my estimate on the size of the private sector erred on the side of caution, as I think estimates should, nonetheless the growth that took place in 2016 is quite remarkable in the context of the uncertainty created by the Brexit referendum result in the earlier part of the year. Looking forward it is difficult to assess the probability of the historically very high rate of growth in private sector non-construction jobs continuing at the same pace in the current financial year. However, the construction sector will probably start recovering from the level of last October and is likely to be higher at the time of the next October survey – that is October 2017.

However, in the longer term it is the non-construction sector that has to provide the main area of job creation to maintain a growing economy which is sustainable in the context of the present economic model. This implies that our final GDP for the year just ended will probably be higher than the level required to meet our target of £2.4 billion in 2019-20. In simple terms, we are looking at economic growth of around £150 million a year over the four-year term – about £3 million a week. We believe that the final figures for this year will come in at a higher level than the £150 million, and without taking account of any new developments that means that we are likely to finish in 2019-20 with an economy that is bigger than £2.4 billion.

Regarding departmental expenditure, in answer to a question on the role of the efficiency unit in my Department, I have previously told Parliament that I would expect the results to be reflected in the levels of spending in the estimates of expenditure. As I have explained previously, the public sector efficiency policy is not a one-off exercise – it is not a grading of manning levels. It is a permanent feature as one of the instruments we need to employ to ensure we are delivering value for money in the provision of public services, and in particular in the context of the unknown parameters that could be facing our economy post 2019. This requires that we do not take on recurrent expenditure commitments that are not sustainable within the existing budget, based on existing revenues that may not be so strong in the future. That is to say today we should not be taking on, in any Department, initiatives that will increase recurrent expenditure unless we have identified a source with a compensating reduction in expenditure or we have a new revenue stream to meet what the new expenditure requires. The

expenditure in the book is a simple cash accounting exercise, as the Hon. Mr Clinton pointed out. It is how it has always been done and how most governments do it.

The bulk of the expenditure is the cost of the payroll and procurement. Procurement is therefore tasked to play an important role in the efficiency policy by ensuring that the prices we pay for goods and services that we buy are the best available. I am not convinced that this is currently the case or that it has been the case in the past, before we were there, in spite of the fact that the Procurement Department follows all the established guidelines and requirements in obtaining quotes and tenders.

Under the GSD administration, the greatest-spending living Gibraltarian on more than one occasion excused procurement costs escalating by arguing that contractors always charge the Government more, as if this was normal and nothing could be done about it. This is on public record in the *Hansard* saying that more than once. There is a serious problem in the escalation of prices once contracts are awarded because of variations that take place later. It has been the case since 2011 and it was there before 2011. When challenged on this issue the other thing that the greatest-spending living Gibraltarian used to do was compare himself to the over-budget results in the UK procurement of public contracts, which invariably finished costing vastly more than the original tender price, and argued that Gibraltar's escalation was not as bad as that of the UK.

I do not believe our role in Government should be to justify the excesses over budget by pointing out that the UK has got an even worse record. Our job is to find out how and why it happens and put a stop to it. I believe that the new initiatives on procurement currently being introduced will, if they work as expected, produce results in the current financial year. If that is the case, it may well mean that even though we expect higher inflation we may be able to supply our requirements at little extra cost. But we shall have to wait and see.

At present most of the efforts on efficiency savings are being concentrated on the GHA budget where I am working closely with my colleague, the Minister for Health. Mr Clinton pointed out last year that the biggest elements in the increased recurrent expenditure have been healthcare and education. This was also mentioned by the Leader of the Opposition and the Hon. Mr Phillips. Because these are the two areas, it follows logically that these are the two we need to concentrate on to make sure that recurrent expenditure is kept at a sustainable level in the light of the present juncture facing our economy, and as a consequence of the potential effect on the reliability in future of present recurrent revenue sources.

Taking the example of the GHA, the Leader of the Opposition said last year that the cost had gone up from £75 million in 2011 to over £100 million in 2015. In fact, in 2011 it was closer to £80 million. The GHA managed to stay within the approved budget in 2012-13 and therefore there is no reason why it should not be able to do so in the future. Both I and the Minister for Health are determined to make it happen again this year.

In 1996, the Health budget was £20 million, having risen since 1988, under the GSLP, from £8 million, which is what we inherited from the AACR. The GSD then increased it from £20 million to £80 million between 1996 and 2011 – a four-fold increase which was paraded as a very good thing. In fact, the GSD in Government, and especially on the eve of the 2011 election, their last Budget ... the greatest-spending living Gibraltarian reeled off a long list of statistics detailing how much he had increased recurrent expenditure in almost every corner of his empire. In those days spending money was a virtue – the more you spent the more you boasted about it. Now the GSD sees this as a vice from the Opposition – and I welcome their conversion to the real world. They claimed at one stage to be in a position to identify the elimination of waste of the order of £50 million – that is once they were in opposition – but so far they have not been able to put to me any ideas that may indicate where such waste can be avoided and savings made, and I would welcome that they should do that and help me to be able to achieve it, since we are both interested in keeping public spending under control so that we spend the money that we need to spend and not money that we do not need to.

As Members know, I am having regular meetings with the three principal unions – the GTA, Unite and the GGCA. We are working well together and I believe most public sector workers understand that the objective of efficiency measures is to make sure that we can maintain the services going into the future at a sustainable level – services which public sector workers and their families access and benefit from as consumers. In fact, such is the commitment to work with me on this, the chairperson of the GGCA recently publicly lamented that too much time had elapsed in between meetings. She was right, of course, and we have met since then and I hope to be able to keep meeting them regularly every month without missing one, including July and August since I never take any holidays.

The GHA budget for the next 12 months is being contained at £110 million. This is close to 37.5% higher than the level reached in 2011-12. In previous years we have seen bids reduced only to find that the approved amount has later been exceeded, for example in 2014-15 the expenditure was £105 million and the approved budget £100.9 million. In 2016-17 the budget provided £103 million, which was £7 million below the previous year overspend. We have now forecast an outturn for the year of £118 million, no less than £15.3 million above the budget. Hence the £110 million that is being provided this year, which is £8.3 million less than they spent but £7 million more than they were supposed to spend.

The Education budget has grown in fact much more in percentage terms, although not in cash. In 2011-12 the estimate for the year was £28.4 million and it is now almost £50 million – £49.3 million, a 75% increase. This is of course a reflection of the GSLP's commitment to education, which has been there since we first introduced universal scholarships in 1988. It has been driven also both by very substantial increase in staffing levels – in previous years, not in this year – and by greater numbers of students in tertiary education in the UK. In addition there have been the much higher university fees that have been introduced in the period. However, what is clear is that the rate of increase in expenditure would be difficult to sustain into the future indefinitely. Therefore when we have done what we need, and will be done in the GHA, we will be looking to see what efficiency measures we can produce for the benefit of the Education Department.

As well as being competitive in terms of the fiscal environment, Mr Speaker, I believe we must be competitive in terms of customer service and speed of response. International investors do not have to come here; there are plenty of alternative locations. We have only two resources that we can use to create wealth: our people and the land. The efficient use of both of these resources is the only way we can provide the necessary competitive environment. We cannot grow our economy indefinitely by increasing the size of the workforce with ever-greater numbers in employment. And regrettably we cannot do that either with the land because it gets deeper and more difficult. Under the existing pool of labour and using that more efficiently means working better, not necessarily working harder. It is an important aspect that we have to consider for the future development of our country's sustainability economically at the kind of level we want it to be.

This is the analysis that has been at the heart of the economic policies of the Socialist Party since the first socialist government of 1988. It continues to be my view that it is not one of the options open to us, but in fact the only option. We can only face whatever difficulties may lie ahead if the framework for our policymaking is what I have suggested. The decision is founded on the analysis that I have spelt out above, which will be the guiding framework for the work on efficiency in the use of public sector resources and public sector procurement.

Finally, Mr Speaker, in respect of the three Departments in the Estimates of Expenditure that I am responsible for in the last financial year and this year – which are the Ministry for Economic Development, the Statistics Office and the Procurement Department – I am pleased to inform Parliament that all kept within their respective budgets and are expected to remain so in the current financial year with no increase in manning levels. *(Interjections)*

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

Mr Speaker: The Hon. Roy Clinton.

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

It is said that the numbers never lie, and indeed they of themselves are quite incapable of doing so. We are here today to debate the Appropriation Bill for 2017-18 in respect of expenditure of the Consolidated Fund for recurrent expenditure and also that for the Improvement and Development for Projects and Equipment. The process as envisaged by our Constitution and the Public Finance (Audit & Control) Act is simple enough: the Government presents its entire estimates of income, expenditure and borrowing and Parliament then decides if that is prudent or not. This of course assumes that Parliament is in possession of all the correct numbers and all the necessary facts to arrive at an informed decision.

The ideal position is quite simply a breakeven budget or one that delivers a surplus of income over expenditure. Prudence is the overall objective so that we do not overextend ourselves as a nation as regards debt levels and maintain a buffer for the future, which Mr Bossano is so fond of – no more and no less than we would all responsibly do at an individual level and expect that we would all want to do collectively as a community.

I have said before that the rules in respect of public finance may be either incorrectly implemented, outdated or simply being cheated in their interpretation, and I stand by that assertion. I summarised that view in the *Gibraltar Chronicle* in an opinion piece as follows:

I have found that the Public Finance (Control and Audit) Act together with the Public Finance (Borrowing Powers) Act are being neatly side stepped by the wholesale use of companies owned by the Government and outside the remit of the Principal Auditor. Our public finances can now be likened to an iceberg whereby what you see above the surface and reported in the Annual Estimates of Revenue and Expenditure is but a fraction of that which is concealed beneath in a multitude of companies and devices.

I have to echo the sentiment expressed by my learned Friend, the Leader of the Opposition, and state now that I cannot and will not support this or indeed any future Appropriation Bill presented by this Government where Parliament does not have all the necessary facts and figures required to arrive at an informed decision. It is disrespectful to this Parliament and disrespectful to the people of Gibraltar not to have all the necessary information required.

Mr Speaker, I have four areas which I wish to address in respect of public finances, namely: artificial income; direct and indirect debt; scrutiny and management of public finances and Government-owned companies; and advance Budget measures, forecast outturn and the cost of living. I will also touch upon other areas of my portfolio, including the Gibraltar Savings Bank, inwards investment, heritage, small businesses and financial services.

So, looking at our public finances and artificial income, having now had the benefit of sitting in this House for over a year, I have found methods whereby the Government can flatter its income by the use of transactions with its own companies and other entities it controls, such as the Gibraltar Savings Bank. I have identified the following three types of what we would call related party transactions that generate or save cash for the Government account with no underlying private sector economic activity, and those are in the areas of stamp duty, property sales and the Savings Bank purchase or funding of public assets.

The Government is today reporting a forecast Consolidated Fund surplus of £17.8 million for the financial year ended 2016-17 and a cash balance of £122.8 million. Let me show how easily that surplus can be undone by reversing some of these types of transactions.

Take stamp duty as an example. Under the Stamp Duty Act, all conveyances of property in Gibraltar by companies, including Government-owned companies, are subject to the payment of stamp duty at the prescribed rate. Through searches conducted at the Land Registry I have identified various large, or certainly at least four large transactions between Government-owned companies which merely switch direct ownership but nevertheless generate substantial stamp duty revenue.

The first one, GCP Investments, a Government-owned company, on 1st July 2014 sold 14 Government properties – including No. 6 Convent Place and the Main Street Post Office – to GAR Ltd, another Government company, for a combined value of £40,292,975.59. The total stamp duty paid was £1.4 million. The Government’s explanation for this transaction was given simply as rationalisation.

In the second transaction Gibraltar Land (Holdings) Ltd sold – yes, sold – the Eastside Reclamation again to GAR Ltd, another Government-owned company, on 22nd May 2014 for the grand total sum of £75,469,680 and this generated £2.6 million in stamp duty for the Government.

The third transaction, Mr Speaker, was between Gibraltar Air Terminal Ltd and Gibraltar Land Holdings Ltd and the Crown on 20th May 2013, whereby Gibraltar Air Terminal Ltd surrendered its existing lease to the Crown, and then Gibraltar Land Holdings purchased the Air Terminal for £90 million and then gave a leaseback to Gibraltar Air Terminal Ltd for 20 years at an annual rental of £5.4 million. This then miraculously generated stamp duty of £3.3 million and revenue to the Government on the sale of property, of £90 million.

Mr Speaker, in answer to questions the Government has stated that the amount of stamp duty receipts in respect of such related party transactions for the financial year 2014-15 was £7.1 million.

In the financial year 2016-17 we know that the Government earned an exceptional amount of approximately £14 million from the sale of the six housing estates, which were sold for a consideration of £397 million from Gibraltar Residential Properties Ltd to Gibraltar Capital Assets Ltd. That, Mr Speaker, is usually ungenerously called, in accounting terms, manufactured income, since it arose from the Government’s own financing transaction between two Government-owned companies, i.e. with itself.

So, Mr Speaker, from this we can determine that the Government was, in 2014-15 and 2016-17, able to create artificial stamp duty income of at least £21 million into the Consolidated Fund, and these are purely from transactions originated and directed by itself and not from independent economic activity in the private property sector. Indeed, only last week the Hon. Mr Bossano confirmed that these transactions had no economic effect other than to create revenue in the Governments books while creating an opposite expense in the books of Government companies. These should, of course, cancel each other out, but they do not. It flatters the revenue of the Government and extracts cash from Government companies.

I move on now to the question of property sales. Within the Improvement and Development Fund there is always a head 102 in respect of Government property sales. I, as indeed any ordinary citizen, would reasonably expect that these are to third parties.

I have already identified one transaction in respect of the Airport that moved £90 million from Government-owned companies in 2014 on to the Government’s books. In fact, in answer to questions in this House we have been told by the Government that receipts from property sales to Government-owned companies have been £90 million in 2012-13, £37.1 million in 2013-14, and £26.4 million in 2015-16. That is a total of £153.5 million of related party property sales prior to this financial year. And, in addition, the Principal Auditor revealed in his report for 2014-15 that the mysterious GAR Ltd had purchased the Mount, of all things, from the Government for a consideration of £8.2 million in 2014-15 and the proceeds were paid into the General Sinking Fund, of which I am so fond.

Mr Speaker, unless all this property has been sold on to the private sector by those Government-owned companies, all that has happened is that the Government has extracted cash from its own companies and replaced it with property in the books of those companies while recording a sale in its books.

Let me move on to the other type of transaction: the Savings Bank purchasing or funding of public assets.

1405 This Government is in the habit of making announcements in which it is taking a financial interest only for us later to find out that it is being structured differently so that the Government actually does not bear the direct financial burden.

1410 Take, for example, the announcement in November 2014 that HM Government of Gibraltar was going to buy back Telekom Slovenije's 50% shareholding in GibTelecom for a consideration of €47.7 million, or effectively £37.8 million. Subsequent to the event it was found that the 50% shareholding representing the B shares was in fact bought by the Savings Bank and not the Government. We now know that the remaining 50%, representing the A shares, were also bought, this time from the Government, directly by the Gibraltar Savings Bank prior to the General Election for a further £37.8 million, making a total purchase value by the Savings Bank of £75.6 million, which benefited the Government's financial position. In addition, the Savings Bank, via its subsidiary GSBA Ltd, purchased the North and South District Post Offices as well as the Treasury building in Main Street.

1415 By way of example, in last year's Budget speech the Chief Minister proudly announced, in respect of the LNG plant:

The LNG plant will be operated by Shell whose presence in Gibraltar will be through a 51% subsidiary aptly named Shell LNG Gibraltar Limited. In order to reduce the overall cost of this contract over its 20-year life to the Gibraltar taxpayer, the Government

– 'the Government', note –

will own the remaining 49% of the shares ensuring Government shares in the economic benefit of this arrangement.

The total cost of the facility is circa US\$ 144 million over a period of two years, and at the end of the 20-year contract period the plant will revert to full Government ownership for a nominal payment.

– 'the Government', mark you.

1420 A Companies House search conducted on Shell LNG Gibraltar Ltd revealed that it is not in fact owned 49% by the Government but by Credit Finance Company Ltd instead. So of the £35 million total cost, its share, the £17 million, will not be funded by the Government but de facto the Gibraltar Savings Bank via Credit Finance. And so the Government has thus, from the examples I have listed, benefited by £92.6 million due to the Savings Bank's largesse in purchasing Government assets or taking on its obligations.

1425 Mr Speaker, this, together with the other types of transactions I have identified, brings the running total to £246.1 million, which if reversed would wipe out not just this year's projected surplus of £75.8 million but also the entire combined cash balances of the Consolidated and Improvement and Development Funds of £122.9 million and theoretically leave us in a loss-making position.

1430 Of course the Government could borrow to replace the money it has used. This is where the financial alchemy of turning deficits into surpluses comes into being, by the use of the £400 million in Credit Finance Company Ltd, and now of course we have the £300 million in Gibraltar Capital Assets Ltd. It is here, Mr Speaker, where the Government's interpretation of the rules on public finance and borrowing by Government-owned companies utterly failed the smell test.

1435 Let me move on to discuss the Government's direct and indirect debt. The official gross direct debt of the Government is £447.7 million, or £319.8 million net, which is made up of £247.7 million of debentures – held by the Savings Bank, by the way, with no fixed maturity – and £200 million of bank borrowing. The bank borrowing is provided £50 million by NatWest maturing in March 2020, and £150 million by Barclays maturing in two tranches, one of £100 million in January 2019 and the remaining £50 million in June 2020.

1440 I heard the Chief Minister remark this morning that the Financial Secretary would be looking to extend the maturity dates of direct Government debt and I assume he means the bank debt,

1445 and of course we can only welcome the Financial Secretary's efforts in ensuring these facilities are rolled over.

But, Mr Speaker, of course this was pretty much the gross debt position in December 2011, which stood at £519.8 million gross, or £234 million net, with the exception that debentures in issue were £319 million held by pensioners and the general public. It is well known that the Government asked pensioners to swap their Government debentures for Savings Bank debentures and we have already in this place debated whether the Savings Bank's liabilities are a contingent liability should or should not be accounted for in the Government's books, as occurs in the UK for National Savings and Investments; but for now that is not the point I wish to make.

1455 In the creation of Credit Finance and the Savings Bank then making a £400 million investment into it via preference shares, it effectively created a backdoor funding method for Government companies that could borrow for projects or buy assets from the Government, as described earlier.

Gibraltar Investment Holdings has borrowed at least £330 million from Credit Finance at a cost of 6½ % per annum or £21 million a year. Incidentally, Mr Speaker, I cannot find any recent financial information in respect of Credit Finance on the Government's website. The last information I have seen was updated in July 2016 and certainly there is nothing in respect of 2017.

1465 This is where the catch-all of pooling of the cash of the Government and its companies comes into play. The Government now, via Treasury, effectively acts as banker to its companies, taking deposits and giving loans but none of it considered an official debt of the Government.

We have seen how in the past projects were funded by the Government via the Improvement and Development Fund, and that is the amount that the Consolidated Fund has to give to projects and has dropped dramatically since 2011. Projects, we hear, are now funded directly by the companies using cash from this now famous pool, provided of course in the main by Credit Finance.

Mr Speaker, we can be absolutely sure that without the creation of Credit Finance and the use of this £400 million from the Savings Bank the Government would have had to borrow that amount for itself to fund its many capital projects since 2011.

1475 So, Mr Speaker, we know what the direct debt is – it is in the book – so let's start a tally of what we shall call indirect debt.

We will start with Credit Finance: £400 million effectively borrowed from the Savings Bank. Call it preference shares, call it what you want.

GCP Investments Ltd: £17.1 million borrowed from Barclays Bank, secured on Government property including the City Hall.

ES Ltd: £55 million from Lombard plc secured for the construction of a new power station.

And now, of course, Mr Speaker, Gibraltar Capital Assets Ltd: £300 million loan notes, secured on six public housing estates.

1485 That adds up to £772 million in addition to the official gross debt of £447.7 million, and that would take us to a gross debt level of £1.2 billion or a net debt, if you wish, of at least £1,092 million at 31st March 2017.

Total liquid reserves, which included the cash held by Government companies, fell by £160 million from £294 million as at 31st March 2014 to £134 million as at 31st March 2015. That is an enormous drop in cash in one year.

1490 Mr Speaker, it is now evident to me that prior to the last General Election the Government's available cash position was in fact much worse than we could possibly have imagined. It is no wonder that the Government thought it would be a good idea to change our net debt legal borrowing limit in early 2016 from 80% of recurrent revenue to 40% of GDP. It is also evident that the Government must have known it needed to borrow more money and it was dishonest to suggest in its manifesto that it would actually reduce debt levels.

We have heard a lot in this House about Gibraltar Capital Assets Ltd. I do not think that anyone can be in any doubt – other than, of course, the Chief Minister himself – that this £300 million borrowed by mortgaging six housing estates is a debt of Gibraltar, all of us, and repayable by Gibraltar, all of us. This is not an investment; it is a borrowing.

1500 We still do not know the terms of the option agreement by which the loan note holders may sell their interest to the Government, and the Government refuses to provide the Opposition with a copy of the private placement memorandum setting out the terms of those loan notes. But we do know that the notes mature in five tranches over 31 years with a composite rate of 3.85%: tranche A of £35 million at a rate of 3.31%, the first 15 years mature in 2031; tranche B, 1505 another £30 million at a rate of 3.67%, a 20-year note matures in 2036; tranche C, £38 million at a rate of 3.81%, a 25-year loan note maturing in 2041; tranche D, £105 million at 3.98%, a 30-year note matures in again 2046; and finally, Mr Speaker, tranche E, £92 million at a rate of 3.98%, a 31-year note matures in 2047.

1510 In that period we will need to pay interest – and this is just the interest – of £341 million, in addition to the repayment of the loan amount. The Chief Minister likes to refer to this money now as his war chest, and yet since the Budget last year we have not heard of a single project that will generate an economic return, despite it costing us, just this year, £11 million in interest payments. We have only heard today of some idea of an involvement in a Coaling Island 1515 reclamation to generate some economic return. The rental income of the housing estates mortgaged will only come, at the most, to £3 million. It does not cover the interest cost. This has had to be made up by the Government by an £8 million housing allowance, which is paid by another Government-owned company which we were told only last week is in fact the company that sold the estates in the first place. If this makes sense to anybody listening, please explain it to me.

1520 So when the Chief Minister claims that the Government's direct debt is falling let's not forget that he has loaded up on indirect debt at almost twice the amount. What worries me is that we do not seem to have any plan as to how we will repay all of this. The General Sinking Fund, which Mr Bossano correctly points out was created in November 2012, only has a balance of £5 million in it as at 31st March 2017, and from what I gather there is no set formula to set 1525 money aside into it to provide for repayment of even the £447 million of direct gross debt, let alone indirect debt. Mr Speaker, we really do need a debt management plan.

Looking at the scrutiny and management of public finance and Government-owned companies, the Chief Minister is only too fond of boasting that his Government is the most transparent and we are now having 10 meetings a year. We in the Opposition can ask as many 1530 questions as we like and there is no need for any further scrutiny of our public finances. Mr Speaker, you will be delighted to hear that I will not attempt to replay the debate on the need for a Public Accounts Committee – other than, of course, to reject the Chief Minister's counterarguments, if you can call them that. In fact, I find his new role as self-proclaimed defender of heads of department somewhat at odds with the ticking-off he gave them on 1535 9th December 2015 as to overspending in the fourth quarter. Mr Speaker, let me demonstrate that although we may have had more meetings of this House, we are simply not getting answers to our questions in the way the public might expect.

Let me start by way of example with this famous Government-owned company called GAR Ltd. GAR Ltd, from the transactions I have identified, has purchased somewhere in the order of 1540 at least £124 million of property from either Government-owned companies or the Government with absolutely no explanation as to where it got the money from or why it is doing this. GAR Ltd has, as far as I can tell, no mortgages charged against it – at least from the last search I conducted – from any leading bank that we know of, and so we can only assume it has borrowed the money from another Government-owned company such as Gibraltar Investment Holdings or 1545 indeed the infamous pool.

In relation to one specific transaction, the £40 million purchase of property, including No. 6 and the Main Street Post Office, and the question as to where the money for this came from, this is the answer the Chief Minister actually gave – and I quote from *Hansard*:

Mr Speaker, I do not have the detail of where GAR obtained the money from. The hon. Gentleman is right in that it is one of the constituent elements of the question but I do not have the detail in the answer of where GAR obtained the money from. I assume it has either been dealt with by way of inter-company loans or it has been dealt with from own funds of GAR.

How is that a useful answer to a direct question?

1550 The audited accounts of Credit Finance are not yet available, despite its creation over five years ago, but even if the accounts were available, audited and filed at Companies House, the Government will not provide the Opposition with full information. This is the answer to a recent written question I tabled, and I quote:

Can the Government please provide a full copy of the accounts and associated notes of Gibraltar Strand Property Company Limited as at 31 March 2014 given that its balance sheet has been filed at Companies House on 23 May 2016?

1555 The answer, Mr Speaker, from the Government:

No, Government only provides the information that the Company is legally required to publish.

1560 So, Mr Speaker, what is the Opposition here to do? The Opposition's ability to scrutinise Government companies is in fact no better than the general public's. How then can we hold the Government to account when so much of its activity is deliberately structured and financed through Government-owned companies? And these are outside the remit even of the Principal Auditor. How can we in fact know the true level of this community's indebtedness or otherwise at all? This is not transparency, it is simply obstruction and it is contrary to the way our Public Finances should be conducted.

Mr Speaker, let me turn now to advance Budget measures, the forecast outturn and the cost of living.

1565 Traditionally, increases in taxation, whether direct or indirect, are announced as part of the Budget session. This Government has seen fit to increase social insurance by 10% outside the Budget and there have been increases in the level of fees across the board from car park rentals to MOT fees and other licences and new fees introduced such as the approved contractor annual fee. These are all borne by all and sundry, effectively a form of taxation and conveniently
1570 sidestepped in the Chief Minister's Budget speech: we did not hear of one taxation in terms of the individual consumer, other than import duties.

The Government's larger than expected surplus is entirely due to revenue being £63 million greater than expected. This can be broken down as £35 million more in taxes, especially corporation tax, and £14 million more in duty, namely import duty. In a post-Brexit environment
1575 I truly hesitate to suggest that this growth in income is sustainable and note that the estimate of revenue in 2018 is more conservative but still higher than estimated in 2016. I note that the Chief Minister this morning referred to a reduction in tax arrears and having collected one fifth of tax arrears. From the information I can see in the Principal Auditor's report, that should equate to at least £6 million, so that, the corporation tax of £5 million and general taxes, at least
1580 £6 million of that is in respect of arrears. But I will not be ungenerous. We again have to congratulate the Financial Secretary for having kept net – and I say 'net' – departmental expenditure within 1% of the 2016 estimate, albeit there was still an overspend of £6.6 million.

In regard to the Estimate Book for 2017-18, I would ask for an explanation as to why the brought-forward Consolidated Fund balance as at 1st April 2016 is £84.7 million versus last
1585 year's closing balance of £ 80.9 million at 31st March 2016, a difference of some £3.8 million.

I would also like to know why, for the actual public debt charge in 2015-16, there is no Sinking Fund contribution, whereas as late as last year's outturn we expected a £4.5 million contribution.

1590 Why was it that the interest on Government debentures was so incorrectly estimated in 2015-16 as £7 million when the actual turned out to be £11.6 million? Surely the Government knows how much interest it is charging itself, since it holds them through the Savings Bank.

1595 Mr Speaker, it really would be truly remiss of me not to congratulate the hon. Lady the Minister for Housing for her Department's hard work in recovering £1 million in rent arrears. However, that regretfully only partially offsets the sins of the Minister for Culture, who again overspent on the Music Festival, this time by £1.6 million. In fact, the Minister for Culture's Department, at 40%, had the largest overspend rate of all Government Departments. Let's see if MTV can do better, and I would encourage Mr Bossano to have a look at the Ministry of Culture as well.

1600 In respect of the Improvement and Development Fund I can only see £45 million as being allocated for capital projects in 2017-18 and the bulk of this, being £28.6 million, is in respect of MoD relocation costs and the tunnel project. I do not see the cost for building new schools. I do not see the cost for building the sewage treatment plant. I do not see the cost of building a national theatre. But then I guess there is still life left in this Parliament for the Government still to build these and meet its manifesto commitments. My colleagues will speak more about these projects.

1605 The Budget session for most people is about how it will affect their pocket directly; it is not about GDP or national debt levels or who did what when and how. At the last measure, inflation is running at 2.7%. This was confirmed by the Chief Minister this morning and also, in addition, by the Hon. Mr Bossano. The public sector pay rise this year of 2.75% will deliver a real pay rise of only 0.05% as opposed to last year's real increase of 2.25% with inflation at 0.5%. Workers in Government rental accommodation are also facing a 3% rise in rent and across-the-board increases in fees for licences and other Government services. With the increase in social insurance of 10% already having been implemented, workers will be feeling the pinch very soon, and in the absence of any real tax breaks – we did not hear anything this morning which translated to anything substantial – which they might expect to be entitled to if the Government is reporting such huge surpluses. Trickle-down economics: give the workers their refunds. With such a large surplus, workers are also entitled to expect their tax rebates to be paid on time and not when the Government feels like it. It is only fair. **(Hon. D A Feetham: Hear, hear.)** *(Banging on desk) (Interjections)*

1620 If I may move on, Mr Speaker, to the Gibraltar Savings Bank and the issue of rainy day funds, the Government and the Hon. Mr Bossano boast of the great success of the Gibraltar Savings Bank in attracting deposits and generating profits and accumulating rainy day reserves, but let me dispel part of that as being another piece of financial alchemy.

1625 First of all, let me explain how the Savings Bank has been able to generate surpluses. Close to 70% of all its assets – the things the Savings Bank holds – are either invested in Government debt, companies or other entities. As at 31st March the entire £247 million gross debt of Government debentures is held by the Savings Bank and it pays on average 6%, and Credit Finance's £400 million of preference shares yielded an average of 5.6%. Credit Finance in turn is receiving 6.5% for the money it lent to Gibraltar Investment Holdings. On-call bank accounts, including a £69.5 million deposit at the Gibraltar International Bank, yielded a paltry 0.2% and listed bonds 0.8%. So the majority of the income of the Savings Bank is de facto controlled and determined by the Government.

1630 The Government pays at the most 5% on debentures and recently has dropped the rates on new debenture issues and ordinary accounts, and it pays itself hardly anything on Government moneys held in on-call accounts, and thus it can make as much or as little surplus in the Savings Bank as it wishes. It is not rocket science, or even financial genius worthy of the Nobel Prize in Economics: it is simple accounting and sleight of hand.

What I will not dispute, Mr Speaker, is that as at 31st March 2017 the Savings Bank is expected to report a surplus of £5.9 million for that year, which is lower than the £6.8 million in 2016, and record an accumulated surplus of £32 million, that although a reserve is of course available for use by the Government in future – and that is, in fact, a true rainy day fund.

The Government may boast that the Savings Bank deposit base has grown from £987 million in 2016 to £1.3 billion in 2017, which is – I am surprised they have not used the statistic – a 33% increase, but what the Government has not said is that Government deposits in the Savings Bank in that period grew by £241.6 million from £77.6 million to £319.2 million held in the on-call investment accounts at the Savings Bank – in fact through the famous cash pool. If you strip that out, non-Government deposits have grown from £909 million to £995 million, or 9.5%, which perhaps is not a disrespectful growth in deposits, though certainly not 33%.

Mr Speaker, where did the Government find £241 million in 2016-17, in one year? Could it be that the net proceeds of the £300 million mortgage of the six housing estates, which we understand was concluded in May 2016, has been added to the Treasury cash pool at the Savings Bank? Well, that would be my guess, and so the growth in deposits in the Savings Bank is nothing to boast about, given that the origin of the money is simply more indirect borrowing. *(Interjections)*

I again urge the Government to release the audited accounts of the Savings Bank on a timely basis. The Hon. Mr Bossano has the audited accounts for 2016 and yet inexplicably refuses to publish them in the Gazette. Mr Speaker, I tried to amend the legislation to ensure a more reasonable timetable for publication but the Government, following its policy of transparency, voted against this. And when Mr Bossano sends out his glossy publication – albeit for outdated accounts – to his account holders, he, as he has admitted today, fails to include the statement of investments showing how their money is used. He tells us in this House that he provides it to me: well, why doesn't he provide it to them too? I do not see what the issue is. This is not transparency in any shape or form. It is the control of information by a Government whose dogma is strict financial secrecy, Mr Speaker. **(Hon. D A Feetham: Hear, hear.)** This is not transparency. **(A Member: Hear, hear.)** *(Interjection by Hon. Chief Minister)* Has the Chief Minister quite finished?

Chief Minister (Hon. F R Picardo): No. I was saying that here is a couple of fools who are answering an argument that has not been put to them. Shall I say it again?

Hon. R M Clinton: Please, yes, say it for the public to hear.

Mr Speaker: Order! Order!

Hon. R M Clinton: Mr Speaker, he is calling us fools.

Mr Speaker: Order!

Hon. R M Clinton: Mr Speaker, let me turn to the other favourite rainy day fund of the Hon. Mr Bossano, namely Community Care.

I have in the past disputed whether this can actually be called a rainy day fund as it is not technically in the control of the Government. According to the GSLP/Liberal manifesto at the last election, the reserves of Community Care stood at £100 million at March 2015. In the five years to 2020 they claimed that would reach £230 million, which I think has been repeated today. For the past two years a total of £40 million has been given by the Consolidated Fund to Community Care and for this coming year another £20 million is projected. From the Estimates Book in prior years the annual cost of Community Care is around £16 million a year – and I am happy to be corrected by the Hon. Mr Bossano – so on a best guess, with a surplus of maybe £4 million a year on this level of contribution, I can only see Community Care achieving a reserve of maybe £120

1690 million to £130 million by 2020. To achieve £230 million, either the Government will have to gift £100 million of the Consolidated Fund's reserves just before the General Election, or perhaps the trustees can turn £100 million into £200 million in five years by judicious investment.

I sincerely hope that this large amount of money is not also being directed to support Government capital projects or companies, because if it is and Gibraltar suddenly needs the money it may not be readily available. I would welcome – I am sure the Chief Minister will respond – the Government's thoughts on the future funding of Community Care and indeed any information on how that money is invested and managed for the people of Gibraltar.

Mr Speaker, inwards investment. We have yet to see any major projects come to fruition.

We were told about the Eastside Bluewater project to much fanfare in June 2015 only for it to have gone very quiet, and no sign of the promised £83 million premium from the developer. I repeat: £83 million, Chief Minister. Nothing happened, Mr Speaker. Nothing happened.

Last year the Chief Minister teased us with an exciting reclamation project at Coaling Island. Mr Speaker, nothing happened.

And now we hear this morning that we, the people of Gibraltar, using the money from mortgaging the housing estates, are in fact going to be partly financing that development: inwards investment from our own money. And of course that famous word we all so love in this House: the Government will make an announcement 'shortly'. I wouldn't hold your breath, Mr Speaker.

We heard at the Finance Centre lunch in London in October 2015 that London and Regional were the preferred bidder to develop the Rooke site, and nothing happened.

In his New Year's address this year the Chief Minister said:

Many other young people will be very happy to hear that you will soon be receiving

– 'soon' I guess is the same as 'shortly' –

letters to start the process of purchasing new affordable homes at Bob Peliza Mews and Hassan Centenary Terraces.

Yes, Mr Speaker, nothing happened – *nothing* happened.

And talking about nothing, I was surprised not to hear of a boast from the Chief Minister in his Budget address about Bob Peliza Mews or Hassan Centenary Terraces – or is it that nothing is going to happen on those either? I truly appreciate that attracting inwards investment is difficult, especially in this post-Brexit environment, and I will of course support all efforts in that regard. However, I would ask that we as politicians, albeit myself a novice in the eyes of that side of the House, refrain from making announcements until the ink is dry on the agreement and the money is in the bank. (**Hon. D A Feetham:** Absolutely right.) In an uncertain age, our people want to hear about certainty and not imaginary projects. We do not want to hear 'shortly'; people want to hear what is going to happen. And so, Mr Speaker, I would encourage the Chief Minister in his response to explain to the people of Gibraltar what is happening with Bob Peliza Mews and Hassan Centenary Terraces.

Turning to small businesses, I have heard the Hon. Dr John Cortes, the Minister for Education, on two recent occasions encourage our students to look to the private sector and not the public sector for future employment. (**A Member:** Hear, hear.) Mr Speaker, the Government is quite rightly identifying the private sector as the true driver of employment and wealth creation and for that I congratulate the Minister. But in this regard, in order to encourage innovation and the entrepreneurs of the future, we need to make starting a business as easy as possible. I know that the Hon. Mr Costa tried his best to reform business licensing but this needs simplification, especially as regards the business premises requirement. I know the Gibraltar Federation of Small Businesses and the Chamber are working closely with the Government on this matter and I hope progress will be made soon. The cost of renting premises and stores I am told is

1735 understandably a huge business cost for start-ups and again I would welcome any plans by the Government in this regard.

Mr Speaker, turning to financial services, during the year we have seen new legislation brought to this House in respect of foundations, which I welcomed at the time and I still do, but we need to continue to evolve our product offering so as to keep pace with our clients' needs and indeed competitors in other jurisdictions.

1740 I have noted the Government's support for the development of Gibraltar as a Fintech hub and the joint Government and Financial Services Commission consultation paper entitled 'Proposals for a Distributed Ledger Technology (DLT) Regulatory Framework' – a bit of a mouthful and nobody actually understands what it means but it sounds good! This also I am happy to support but with the proviso that the risk is correctly identified and managed so there can be no reputational damage to the jurisdiction, and I am sure the Minister understands that point.

I, along with, I am sure, all the Members of this House, lament the departure of the Newcastle Building Society and indeed other job losses in the banking sector, but speaking from experience I can say that this is in fact a worldwide problem and not a Gibraltar-specific issue as banks continue to retrench and preserve capital after the 2008 financial crisis. But this is not to say that we should resign ourselves to the risk of being unbanked. We need to encourage existing retail banking operators not just to stay but to expand their offering where possible.

1750 The Gibraltar International Bank continues to fill the gap left by the loss of Barclays and I look forward to seeing their full financial statements for 31st March 2016 and not just the highlights picked out by the Minister. This bank needs to be a success, not just for the sake of the business community but for the community as a whole. It has to be a safe place for our savings and a source of financing for mortgages and loans, which are the lifeblood of any thriving economy.

I would ask the Minister, who I know will be speaking shortly, if he could explain why the bank has undergone a recent capital restructuring such that it has converted its ordinary shares into two different classes of shares, namely A shares and B shares with the B shares having no voting rights. It would seem to indicate to me there might be some intention to place the B shares ... I am asking the Minister because the shareholders' resolution was in fact signed by the Chief Secretary on 25th April this year and I would welcome any thoughts from the Minister as to what it is that the Government intends as regards the shareholding of the International Bank, seeing as it is the sole shareholder.

1760 I again thank the board and the staff of the bank for their efforts and I of course wish them well.

As regards the financial services regulation, I still await news as to the rewrite of our financial services legislation, especially in the light of Brexit. It will no doubt be an interesting debate when Gibraltar considers its own Great Repeal Bill and what should be kept and what should be discarded while of course preserving the highest possible standard of regulation and remaining best in class.

1775 Mr Speaker, also pending is the appointment of a Financial Services Ombudsman and I look forward to hearing more on this matter from the Minister.

Financial services is an important pillar of our economy and we need not only to protect it in the post-Brexit environment but also to grow it in a way that encourages new players to set up in Gibraltar, and in this regard the Government has my full support.

1780 Turning now to heritage, Mr Speaker, the achievement of World Heritage Status for Gorham's Cave was a truly remarkable achievement and a credit to all those who promoted the project, not least Prof. Clive Finlayson. We should not underestimate the importance of both our natural and historical heritage for our people and visitors alike.

I have long felt our social history has been somewhat neglected, all too often in favour of military history. I am pleased to see the Deputy Chief Minister's initiative in that the 50th anniversary of the 1967 Referendum is being remembered and celebrated – unfortunately, Mr Speaker, I missed it by five days. It is important that future generations are taught the

importance of that day, and not just once a year but in classrooms as part of their education. To this end I would like to see the Government encouraging more young people to take an interest in our rich heritage, whether in schools or in partnership with the Heritage Trust.

1790 There are still many heritage projects to be completed, such as the Northern Defences, which I know the Deputy Chief Minister has spoken on already, and others to be started, such as the Moorish Castle complex. Thankfully, the importance of these sites is well understood and I am sure will be well protected.

1795 Last but not least, Mr Speaker, I would welcome the long overdue Heritage and Antiquities Act, especially with regard to a revised listing of protected buildings, and I would be grateful if the Minister, in his address, could give an indication as to when he proposed to bring the Bill to this House.

1800 And so, Mr Speaker, in conclusion, as I said in my opening, the numbers never lie, but it is much too easy for this Government to distort and hide the real numbers. I regret that I have grave reservations as to what reliance can be placed on the completeness of the information in the Estimates Book and thus the Appropriation Bill for 2017-18, and for the reasons of lack of transparency as to the financial state, activities and accounting for debt of Government-owned companies, I simply cannot support this Bill.

1805 I again call for the Chief Minister to give up the portfolio of Finance Minister and allocate this to another Minister perhaps to his left. It is not healthy for the CEO to also wear the hat of finance director; there always needs to be a tension between the two to guarantee financial prudence.

1810 We as a community need to be prepared for the unexpected, as much as we can, in this post-Brexit world. I am confident that we as a people will find a way to succeed no matter what the odds, but we must keep a close eye on the public purse and indeed those who control the purse strings.

1815 That being as it may, the watch word – and we have heard this word many times today – the watch word is prudence, not austerity as the Government would have the people believe the Opposition advocate, which we do not: prudence in planning for the future in this uncertain world and prudence and transparency in our public finances at all times.

Thank you, Mr Speaker.

1820 **Chief Minister (Hon. F R Picardo):** Mr Speaker, if there is anyone left awake, I entreat them to come back tomorrow, at 9.30 in the morning.

Mr Speaker: The House will now adjourn to tomorrow morning at 9.30am.

The House adjourned at 8.39 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 9.33 a.m. – 1.03 p.m.

Gibraltar, Tuesday, 27th June 2017

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The Gibraltar Parliament

The Parliament met at 9.33 a.m.

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

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

Appropriation Bill 2017 – For Second Reading – Debate continued

Clerk: Meeting of Parliament, Tuesday, 27th June.

Mr Speaker: The Hon. Albert Isola.

Minister for Commerce (Hon. A J Isola): Thank you, Mr Speaker.

I have the honour to present my fourth Budget speech, dealing with each of the areas that I have the privilege to have responsibility for.

Mr Speaker, before I get into the substance of what I would like to discuss and address the Parliament with today, I think it is important to touch on a number of areas which we have been talking about both at this time, the Budget session, but also in the immediate period where I think all Members of the House recognise the really quite challenging time in which we are living. I do not believe Gibraltar in recent years has had to face the challenges that we have had this past 12 months since the voting of the referendum, and consequently it is my view that as politicians we all have an extra responsibility in this particularly challenging time to take what we do more seriously and to look at and consider all the aspects of what each and every one of us does in our political lives – because the challenges are, Mr Speaker, serious.

When I consider some of the exchanges we have been having and I have been listening to in the last day and also in the last week – particularly, for example, the incident over the concern of the GSD on our security, and that concern was expressed by posting a photograph on the World Wide Web of a hole in our frontier fence which had been fixed three weeks before, is just not serious, Mr Speaker. Indeed, I do not believe that we are the only ones who were concerned and did not agree with that statement, because on the very Facebook page of the GSD that post, that press release, only had four likes, and when you think that there are six Members of the GSD Opposition, it is clear that not even they agreed with the very statement that Mr Phillips released. *(Banging on desks)*

Mr Speaker, we really do need to do serious politics. We really do need to be more mature in the way that we think, in the way that we operate. To express a concern about security and then to predicate on that a photograph on the World Wide Web of a breach of our fence – had it been real; thankfully it was not, because it was already blocked – and not to recognise the need that there is to maintain, especially at this time, security to the best of our ability, was in my view completely irresponsible and completely outrageous, as the Chief Minister himself described.

Mr Speaker, if I can move on to the contributions of the two big guns of the GSD who spoke yesterday – and I do not use the term ‘big guns’ because I believe them to be big guns but only because they are much bigger than the others that will follow them –

Chief Minister (Hon. F R Picardo): Because that's all they have left.

Hon. A J Isola: What it is it that they have told us? Well, in the same way as we have the
 40 gimmick of the security fence – something that they think will resonate with people – we now
 have the new gimmick, and the new gimmick is really to dramatise. Today's front page of the
Chronicle: 'Feetham denounces dangerous farce that undermines parliamentary governance'.
 Another gimmick, Mr Speaker. The Opposition have demonstrated again, in my view, their
 45 irresponsibility and their lack of serious thought and process, because what in fact they are
 doing by voting against the Budget, because of what they call a farce, is voting against the
 funding for our Health Services, our schools, our Police, our Fire Brigade, our ambulances, our
 Civil Service – indeed, Mr Speaker, even this House.

Why? What is it we have done in the Budget book that is different to what has ever been
 done before? **(Severall Members: Hear, hear.)** *(Banging on desks)* You end up asking yourself is
 50 this the same GSD that was in government for 16 years. Well, with the exception of the Father of
 the Opposition, if I can call him that, it does not look like it. Yes, some have gone, and then some
 more have gone, and then even more recently the good lady has gone, but how can a party that
 has been in government for almost 16 years, with the trust of the people for that period, lack
 the very basic element of consistency in philosophy and political belief? You have to measure a
 55 party by its record, you have to measure a party by what it says in this House, and of course you
 have to measure what they say as against what they have done, and when you compare the GSD
 of today and the GSD of yesterday, let's look at precisely what they are complaining about.

I start with the use of companies. I contested the 1996 by-election with the Father of the
 House, where the GSD spent the best part of a year talking about the secret web of companies
 60 that the GSLP were managing and using to run this place. Mr Speaker, it was a suggestion of – I
 will put it blindly – corruption, it was a suggestion of improper and inappropriate accounting, it
 was a suggestion of many things but all relating to the use of private companies by the
 Government for the manner in which they ran the administration. And so if you were going to be
 consistent, the first thing you would do after you get into Parliament is stop the companies; but
 65 of course, as we all know, for 16 years they ran the companies and indeed, if memory serves me
 right, they actually expanded the use of the companies. But that is not enough, because when
 they now come to this Parliament and talk to us about transparency, lack of accountability, isn't
 it odd that in those 16 years in all of the companies that they operated to run the public
 administration they never even filed accounts. **(A Member: Hear, hear.)** The accounts of these
 70 companies were never filed in 16 years of them being in government – and they come and talk
 to us about transparency, about accountability! Mr Speaker, these are just words which the
 public will know – we have been there before – are simply not serious.

And the use of off balance sheet accounting, Mr Speaker: have they forgotten, for example,
 the hospital, which is at least in leaseback so it is not debted to rent? Have they forgotten the
 75 things that in 16 years of GSD were used and done every minute of the day? And that is exactly
 what today they are complaining about. It is as if it is all right for them to do it but not for
 anybody else to do it. So it is wrong when we do it, but it was absolutely fine when they did it.

And then of course the Minister of Finance should not be the Chief Minister. Well, that
 perhaps could be the reason why Mr Clinton's life in the old GSD was short lived. I can imagine
 80 him suggesting to Sir Peter Caruana *(Laughter)* that he should not be the Minister of Finance,
 that it should be somebody else – it cannot be the CEO or the Chairman and therefore he should
 move on. Never in a million years would the current Leader of the Opposition have had the
 thought – or courage, better said – to suggest to Sir Peter that he should move on and let him or
 another become the Minister for Finance. We know the function of the Minister of Finance and
 85 we know that it has always been, certainly since the new Constitution, in the domain of the
 Chief Minister and it is absolutely right and proper that it is.

Mr Speaker, all of these things when they qualm them up together lead them to the
 conclusion that we should have a Public Accounts Committee. Well, again, when you have been

in Government for 16 years *surely* you might have mentioned it in the 16 years. Surely you might have said, 'Maybe we should consider ...' – not like now when they are in opposition, they demand that we have a Public Accounts Committee. So, again, what is it that has changed since 2011 to today that makes them believe that we should have a Public Accounts Committee, that we should have civil servants in here cross examined by Members of Parliament as to why they have taken decisions? Surely politicians are here to take responsibility. We have no fear in taking responsibility for absolutely everything that we do. And indeed, for those who will remember political history, this Parliament has had a Public Accounts Committee before and it was stopped. It was stopped for good cause, and when the review was carried out more recently it also did not recommend a Public Accounts Committee. So why now? Well, the answer is simple. If they were in government I have absolutely no doubt that we would not have a Public Accounts Committee. And interestingly, whilst we were in opposition we never suggested to the Government at the time that they should have a Public Accounts Committee – because we do not believe it works in a community like ours. Consequently, my plea is let's be consistent, let's think through the things that we need to be dealing with, let's look at the challenges, but let's stop the drama – or, I would call more appropriately, the farce that we have heard in the past day as to how this Opposition believes this Government should be running its affairs.

Mr Speaker, moving on swiftly, I would like to start with financial services.

The result of the Brexit referendum in June 2016 was not initially viewed as a positive development for Gibraltar or indeed its financial services sector, as the loss of our EU passporting rights was unwelcome. It became clear to us in the months following the referendum that the actual volume of business being conducted throughout the European Union was actually small, and we were predominantly a jurisdiction which worked strongly with the United Kingdom, the World's fifth-largest economy.

Mr Speaker, I must pause to mention, applaud and commend the exceptional work of my friends the Hon. Dr Joseph Garcia our Deputy Chief Minister, and Mr Michael Llamas QC our Attorney General, for their precise, detailed and methodical work in preparing our "Heat Maps" of our entire economy which enabled us to engage quickly with others with accurate, factual and compelling data. The many months of very hard work have been invaluable and they should both be most seriously commended for this work. (*Banging on desks*)

I must also mention my friend the Chief Minister, who has, since the referendum, demonstrated and proven himself to be a remarkable leader. We needed calm action, intelligence and strategic thinking at a time when we were facing our most uncertain period in recent history. He led the team with our Deputy Chief Minister and Attorney General which met with the Prime Minister, the Chancellor of the Exchequer, the Foreign Secretary, Secretaries of State, Ministers and officials, and secured by last October a commitment from the United Kingdom government for UK access, which has enabled us all to focus on the opportunities that this will bring. I cannot stress enough the importance of his work this past 12 months, and on behalf of our entire business community I thank him for his staggering effort and leadership, which has much strengthened confidence in these difficult times across the entire business community. (**Two Members:** Hear, hear.) (*Banging on desks*)

Mr Speaker, in considering opportunities and the relevance of UK market access, we must remind ourselves that there are a large number of financial services firms that passport their services into the UK from continental Europe. Whilst most of the UK press has been about UK businesses needing to plan their post-Brexit strategies in order to protect their existing markets, there has not been so much press about passporting services into the UK post Brexit. Gibraltar's unique trading relationship with the UK allows us to position ourselves as a gateway to the UK and the world's fifth-largest economy both today and post Brexit. This is especially true in the insurance sector, where we continue to work with firms considering Gibraltar as their base for business, complying with EU legislation and regulatory standards but with a pro-business friendly approach and culture.

140 Mr Speaker, the Chief Minister has already mentioned on a number of occasions the 26
licences that the FSC has granted since the Brexit vote and the 20-odd that are in the pipeline. It
is important to reflect as to why this is happening and to obviously welcome and encourage
more to come. Of course there are also a number that are not within those lists which are at
145 what we call the pre-application stage – in other words, in discussions but applications not
formally submitted.

We continue to work with delivering Part VII transfers from the UK, and recent court
decisions will, we believe, facilitate this and in further developing other structures which we are
working on with the Gibraltar Financial Services Commission and the professional sector. In the
last 12 months we have worked with a number of parties about establishing new life insurance
companies in Gibraltar, in particular for pension transactions such as bulk annuity transfers and
longevity swaps. The number of these types of transactions has been gaining momentum in
recent years and the expectation is that this sector will expand considerably over the next five to
10 years. We intend to position Gibraltar as a domicile for this type of insurance activity.

150 Mr Speaker, the new personal pensions regulations were introduced at the end of March
2017 and were drafted to ensure that the Gibraltar Qualifying Recognised Overseas Pension
Scheme (QROPS) continued to meet the requirements of Her Majesty's Revenue and Customs,
which were due to change with effect from 6th April 2017. There have been a number of
profound changes to the QROPS sector over the last 12 months, with HMRC removing a number
of jurisdictions from its recognised QROPS list and introducing, to our surprise, a new 25% levy
155 on pension transfers from the UK, which whilst not affecting all transfers is likely to lead to a
significant reduction in QROPS business for Gibraltar and many other QROPS domiciles. Having
worked with HMRC since December 2015 in this area, the result was deeply disappointing and
we continue to work to explore opportunities in this space. We remain committed to supporting
the pension sector as it seeks to introduce new pension and savings products and to begin to
160 reposition itself following the unexpected introduction of the 25% levy on pension transfers.

Mr Speaker, we are also exploring further improvements to the PCC legislation with the
sector to enable their further use and we expect these to be considered fully with the GFSC very
shortly.

165 The insurance and pensions sectors are very well represented by Mr Michael Ashton, who
has the energy and drive of a teenager but the knowledge and experience of a master. It rings
similar, Mr Speaker, although not comparable to the Father of the House. We are indeed
fortunate to have him – and, of course, the Father of the House.

Earlier this year we completed the review and implementation of what has become known as
"STEP legislation". The enactment of the Private Foundations Act completed the delivery of the
170 STEP Gibraltar wish list submitted to Government some years ago. I am grateful to the private
sector and in particular the STEP association for their support in helping us to complete this
process.

Family offices is one of the areas that we have particularly focussed on and continues to
provide successful outcomes, impacting favourably across a number of specialist practice areas
175 for local professional firms. We have agreed a way forward with the Philanthropy Forum and will
continue the good work they have started in reviewing our legislation and making it fit for
purpose.

In May we published for extensive public consultation a document entitled – and I agree with
my friend it is a mouthful – 'Proposals for a DLT Regulatory Framework', the result of a huge
180 amount of work undertaken by Government, the Cryptocurrency Working Group and the
Gibraltar Financial Services Commission, as well as a number of leading representatives in this
field. The consultation period ended in early June and we are currently considering the feedback
received. The interest generated by this proposed regulatory approach has been significant and
we hope and expect to introduce this framework in January 2018. We believe Gibraltar is well
185 placed to move swiftly in this interesting and fast-moving area. My sincere thanks to the

Cryptocurrency Working Group, the GFSC and Sian Jones, our consultant, for their professional and dedicated work, which of course is ongoing.

Mr Speaker, the Fintech space is a fascinating area and although, as the hon. Member mentioned yesterday, there is risk attached, it is an area which is attracting considerable interest. The framework that we have proposed is innovative, it is new and no other jurisdiction has approached regulation of this sector in quite the same way. As a consequence, we have been delighted to receive the interest that we have. The framework will actually seek to regulate people for DLT where they are not already regulated. So, if somebody already has a banking licence or Mifid licence or a funds licence, they will not actually need to obtain a new licence – they will simply need to add on to their existing licence the fact that they will be engaging in DLT. This will mean that it will shortcut and short-circuit the need for many of our financial services professionals today to specifically apply for new licences. And similarly, if we have people exclusively engaged in DLT they will be able to obtain their own licence.

Mr Speaker, our Category 2 and HEPSS products continue to provide effective solutions and are attractive to the international client. As the Chief Minister announced recently, we will reconvene the Cat 2 Working Group to further consider their proposals.

We also continue to grow our social media presence as a method of increasing awareness to a wide yet appropriate audience at a very low cost. Our database stands in excess of 5,100 individuals, which we interact with almost on a daily basis. Our electronic bookshelf hosted on ISSUU.com now has 137 publications covering the full range of topics that are of interest to our readers. These include self-generated fact sheets, articles, manuals and guides created by private sector firms. Our audience has read these publications more than 11,150 times.

Mr Paul Astengo has driven all these important projects forward – as well, of course, as dealing with the continued business development throughout the United Kingdom and Switzerland. He is a joy to work with and ever dependable in the many areas we have asked him to work in: a true and trusted professional.

In the area of funds, we have worked more closely than ever with the Gibraltar Funds and Investment Association (GFIA), reviewing our legislation, considering improvements and new innovative changes which will serve us well in the future as we face the post-Brexit era. As the Chief Minister announced at the recent Accountants' Dinner, we expect to have the first phase of changes in our legislation in early July. I am most grateful to Mr Adrian Hogg, its president, as well as Jay Gomez, Joey Garcia and James Lasry, all of whom work closely together with the executive to deliver the best for their sector and Gibraltar plc. I must also thank Sarah Hall and Julian Sacarello from the GFSC, who have made this happen.

Mr Tim Haynes, working at Gibraltar House in London, continues to support the funds and private client space in London, where his extensive knowledge and contact base in this sector have contributed to the success of events hosted at Gibraltar House, and this will continue as we now start, with GFIA, in hosting monthly seminars in London targeting the professionals in this area.

The time dedicated to business development remains strong, with Mr Astengo and Mr Haynes focusing primarily on London and the UK generally, and Mr Ashton focusing in Asia, together with Mr Jason Cruz, whose sterling support continues to open up opportunities across all sectors of our business community in Asia.

I am pleased to update Parliament on the progress of the Gibraltar International Bank. I am delighted to report that the bank continues to deliver above expectation in both its performance and its service levels, and this is especially pleasing as we have witnessed the unfortunate further reduction in the provision of banking facilities in Gibraltar. We were right to have decided to set up the bank in 2013, right to have established an independent board of directors and right to have allowed the executive team to get on with the job of driving Gibraltar International Bank forward. The results speak for themselves: just two years after its doors opened, the bank has over 10,000 accounts opened, £440 million deposited and over £90 million

in loans. I must again thank the board of directors, Lawrence and Derek, and each and every member of the team at the bank for their spectacular work.

240 We have also continued the excellent work on our Legislative Reform Programme, which we expect to complete early in 2018. This will have a significant impact on both the regulator and private firms and I am confident that this will be most welcome by all. The first sector consultation will commence on 12th July and continue for the rest of the year. I am grateful to the Finance Centre Council for agreeing to be actively engaged in this process. They have agreed to set up a dedicated subcommittee to consider and consult with us on all the pre-consultation
245 documents that we will be sending them on a very regular basis for the remainder of this year. Sarah Hall and Ernest Lima have driven this project with us and I am grateful to them also.

The quality of the work of the Financial Services Commission in all of these areas is also worthy of mention. Each of the members of the many teams I have worked with have delivered professional, dependable and expert advice and support to a high quality, from its Chairman
250 Jonathan Spencer and its CEO Samantha Barrass to all the other individual members of the team. My sincere thanks to them all.

Mr Speaker, Government is most appreciative of the work of all private sector firms, associations and individuals who work with us throughout the year. The list is endless but we are grateful to each and every one of them, as we are especially to the members of the Brexit
255 Working Group, who have excelled in their detailed work on the best way forward for our jurisdiction.

Mr Speaker, before turning to gaming, I must thank Mr Jimmy Tipping, the CEO and my right hand man in this area, and his fantastic team at Gibraltar Finance for the superb work they deliver every year and with such calm and ease. Jimmy has inter alia driven our complex
260 discussions on the UBO register, which was launched yesterday, and will perhaps be best remembered for his outstanding performance in defending Gibraltar's corner at the often hostile PANA Committee hearings in Brussels.

Mr Speaker, in turning to gaming, I would say that notwithstanding the tumultuous political year in Europe and especially the UK, some in the popular media wish to find bad news stories about the remote gambling industry rather than the good news it remains. I will take this
265 opportunity to confirm that none of our licensees is currently undertaking a Brexit-based restructure that might see its Gibraltar establishment transplanted to a different jurisdiction. Both my staff and myself are in regular liaison with all of our licensees. And yes, while the shape and features of Brexit create uncertainty and licensees change the nature, size and shape of their operations as markets, products, technology and the political landscape develops, Gibraltar licensees are looking at the mitigating factors that they may need to apply should some of the Brexit risks materialise. That is not planning to leave Gibraltar, but sensible and prudent scenario planning by sensible and prudent companies, the type of company we are keen to license and welcome to Gibraltar.

None of us here can predict what a 2019 Brexit will look like – indeed, whether it will be in
270 2019 or we may only have clarity of what it will look like in 2019 – but what I can assure Members is that as those details do become clear this Government will still be pressing for measures and taking its own measures to ensure that the Gibraltar arrangements remain the most attractive and supportive in Europe, if not the world.

The major players in this industry continue to beat a path to our door to invest here, to
275 operate here and to be associated here as they have done for the last 20 years and more. As in previous years, there remains a constant flow of highly credible and respected names in the remote industry engaging in discussions with our licensing and regulatory teams about Gibraltar licensing.

Such enquiries and developments have been taking place at a time of unprecedented mergers and acquisitions (M&A) in this sector. We are now in the fourth year of escalating M&A
280 that far exceeds the impact of Brexit, and M&A is not going to end soon. M&A has affected over half of all our licensees and 15 of the current crop of 30 licence holders. In four years it has seen

nine licensees absorbed into bigger companies and those nine licences expire, and six other licensees become significant parts of bigger companies. This consolidation means that the total number of licensees is standing still, despite the new arrivals. In the last 12 months, from April 2016 to March 2017, we have seen five new operators issued with licences, whilst five existing licence holders have been surrendered, with two of our biggest licensees merging. Where there were 31 licensees at this time last year, there are now 30, but I anticipate a possible four more being issued in months to come as licensing plans come to fruition, but likewise consolidation and the apparent loss of licences will also continue.

Correspondingly, employment in the sector has seen continued growth of 101 posts during the year to a new high of 3,353 as at 31st March 2017, and as the Chief Minister has already mentioned, an increase of 9% from October 2015 to October 2016. We must not forget that staff can be hugely unsettled by the wave that industry consolidation may bring. However, this is the nature of this incredibly dynamic industry and we are happy to work with the industry and their staff to ensure that the Government can play its part in supporting this sector, which continues to thrive.

Mr Speaker, Government receipts from the industry – charges, taxes, fees – continue to increase significantly as the industry grows, and will be reported separately. However, the closure of the GBGA POC tax case does create the opportunity to review and reshape the way in which the gambling industry contributes to the revenues of Government. I plan to discuss with the industry in months to come how we can both modernise and consolidate the current charges into a simpler and more consistent model of taxation and fees. It is incumbent on me to make clear that this is not a proposal to implement a structural increase in those charges, but look to bring them up to date and better reflect the revenues and costs of the industry some 20 years since they were introduced. This work will also allow us to resurrect the review of the Gambling Act, initiated in 2014 but deferred for 12 months following the Brexit vote.

Perhaps the biggest change this year will be the retirement of our Gambling Commissioner and Head of Regulation, Mr Phill Brear, at the end of this year. Phill will have served a full 10 years in his posts here in Gibraltar and seen through a transformation of the industry between 2007 and 2017, a transformation that he believes is yet to end. The process for the appointment of his replacement, indeed likely replacements, is now underway and I am confident we will have a strong new team identified and in place by the time Phill's tenure comes

to an end in October. Phill's contribution to this sector cannot be underestimated and it will be difficult to replace him. He has been an exceptional servant to Gibraltar and I repeat my view that he is one of the best – if not the best – online gaming regulators in the world (**Hon. Chief Minister:** Hear, hear.) (*Banging on desks*) and we are most fortunate to have had him here. His contribution is recognised by the industry, regulators and governments and I am equally confident we will soon conclude arrangements that ensure both a smooth transition for the new team as well as, I am delighted to report, his continued involvement in the development and oversight of the gambling industry in Gibraltar.

Likewise, another stalwart of the Gambling Division has recently moved on. Lorraine Britto has been the driver of the engine room of the Gambling Division for some eight years and is soon to be replaced. I take this opportunity to thank once again the outstanding efforts of Lorraine and thank her for her work with us, and indeed the licensing and regulatory teams, in maintaining Gibraltar's reputation as a first-tier jurisdiction. Their work continues to be exceptional.

Mr Speaker, I will end by emphasising that Government remains committed to a strong and supportive legislative, regulatory and taxation regime for the gambling industry, remote and non-remote. I will continue to meet with industry leaders on a regular basis to ensure their interests and concerns are properly understood and Gibraltar remains the preferred jurisdiction for their operations.

325 I must also thank the Brexit Working Group for their continued expertise and support as we jointly plot the exciting future for this sector.

Mr Speaker, I turn to the Liaison Department, which was set up in September 2013. Its function has evolved over time from its original concept – to facilitate and support the gaming and finance centre industries with their interaction with all Government Departments. Their work is constantly recognised by these sectors as they continue to provide necessary support to them. The unit also provides invaluable assistance to my Ministry in a number of different areas as we work towards developing a new framework for interaction between citizens, businesses and Government. I am most grateful to Lizanne Ochello and Tania Pereira for their work in all of these areas and more.

335 If I can move to commerce, it has been a pleasure working this year with the Chamber of Commerce and the Federation of Small Businesses in meeting their members' needs. They are always forthright, honest and well-intended and, although we may not always agree, we certainly make progress for the benefit of Gibraltar plc. We have worked on many areas this year and we will, as a result of this close working relationship, shortly be consulting on further improvements to our business environment as a result of that close working relationship.

340 Mr Speaker, if I may turn to the Office of Fair Trading, or the OFT as it is better known, I am happy to report that the OFT has finished its first full year of operations, making substantial advances in the manner in which it delivers its services for the benefit of businesses and consumers alike. During this time the Office has settled well into its new regulatory role and has made noteworthy progress in trying to meet the ambitious objectives and responsibilities set for it by the Fair Trading Act 2015. As with any new project, it has been a steep learning curve for the Office and its staff, particularly with the addition of new responsibilities, and consequently this project remains very much a work in progress.

345 We are working on a review of the Fair Trading Act, together with the Federation of Small Businesses and the Chamber of Commerce, which will make the process of setting up business in Gibraltar even simpler and more efficient while at the same time bolstering the protection afforded to consumers.

As an aside, Mr Speaker, it is interesting to note that the OFT was introduced by my good and learned friend, Minister Costa, really at the request of the Chamber of Commerce and the Federation of Small Businesses. They, in fact, drove the detail of what Government was seeking to achieve and it is right that we review the steps that we have taken with them, and ironically at their request a change in the number of the things that they originally asked us to implement in the legislation. So it is an example of that continuing partnership that we enjoy with both business associations. I have no doubt that once these changes are drafted and announced they will be most welcome by the business community.

355 The OFT has been given the responsibility of regulating high value dealers and real estate agents in Gibraltar from an anti-money laundering and counter-terrorist financing perspective. On 15th September 2016, the OFT was appointed as a supervisory authority under the Proceeds of Crimes Act 2015 with the objective of preventing the laundering of illicit funds using these businesses. This is a substantial new role, working relentlessly to set up new, practical anti-money laundering measures and procedures for the effective regulation of high value dealers and real estate agents. All this is also being done in anticipation of Gibraltar's upcoming Moneyval assessment, which is due to take place at the end of next year.

365 I now turn to the OFT's consumer protection responsibilities. The nature of the work carried out by the team, which was previously the Department of Consumer Affairs, has shifted from a mediatory role to a regulatory one. The ultimate aim of the current protection team is therefore to prevent significant harm to consumers in Gibraltar and not to offer redress.

370 I now turn to business licensing. Since the introduction of the Act which extended the requirement for licensing to service providers, the number of licences issued by the Business Licensing Authority has more than doubled. There are now approximately 2,000 licensed businesses operating in Gibraltar. The Office has been extremely busy dealing with a constant

stream of applications. This surge, while expected, has led to very high workloads as the previously unlicensed businesses have been applying for their new licences – unlicensed not because they were in breach, but because they were not required to. I am happy to say that the team has dealt with this extra work well.

In terms of tackling unlicensed businesses, a strategic programme has been introduced to tackle this issue on a sector by sector basis. The business licensing team has the ability to deploy its consumer protection enforcers to investigate businesses that it suspects or is informed are not in possession of a valid business licence. I must thank Mr Francis Muscat and his team for their superb work in making a success of this new and exciting project. We have lots more to do in streamlining and improving these processes, but this is only possible because of their commitment and ability to respond to these challenges and to embrace further responsibility in the manner that they have. I am grateful to each and every one of them.

Mr Speaker, I now turn to my responsibilities for the Royal Gibraltar Post Office (RGPO). I am looking forward this year to engaging with the management and staff of the RGPO, together with UNITE, to review all aspects of the postal service. There is no question that as technology reduces the use of ordinary mail, and the global economy and in particular online purchasing significantly increases the quantum of postal purchases and parcel deliveries, there is an opportunity to review how we operate and serve the public's needs in the best way possible. I intend to work through all of these areas with the team at the RGPO and Unite and am confident that we will together agree a sensible and fair way forward for all parties concerned. These discussions will start immediately. I must thank the entire team at the RGPO for their continued work and dedication in meeting the needs of our community, and I know they will be willing partners in this process.

Last year the RGPO announced that it was the first postal service to launch the UN Universal Postal Union Customs Declaration Kiosk System, which sends advance electronic information to other countries. As from 1st January 2020 it will be a mandatory requirement for all postal items containing goods to send advance electronic information to all the other authorities around the world.

Mr Speaker, in April this year the RGPO signed the new multilateral agreement in respect of a new tracked packets service and in September the RGPO has planned negotiations with Royal Mail to discuss the introduction of the new International Merchandise Returns Service (IMRS), which is a tracked postage-paid returns service designed to meet the demands of bulk mail operations. Growth in this area may present significant opportunities for the RGPO to grow its business. The Government is looking at ways to adapt its products and services to make bulk mailing operations based in Gibraltar more attractive.

We are also working with British Airways World Cargo on the possibility of introducing radio frequency identification transponders to give 100% visibility of mail bags in the BA cargo shed at London Heathrow to create more visibility of the transport of mail.

Mr Speaker, since 2013 the Post Office has co-ordinated a local letter-writing competition with the Department of Education. Each year the winning letter is forwarded to the UN UPU International Letter Writing Competition. In 2016, Anna Grech from Westside Comprehensive School became the first Gibraltarian to reach the top 13 out of 980,000 applicants, for which I presented her with various prizes donated by the UPU – a remarkable achievement and a real attempt to preserve the magical art of letter writing.

Mr Speaker, my thanks to David Ledger, Sabina Pitaluga, Joe Brosco and all of their teams for their hard work during the course of the year.

I now turn to ITLD. HM Government of Gibraltar aims to be the leader in providing digital electronic services by making the best possible use of information and communication technologies, to bring interactive Government counters to the doorsteps of citizens and businesses, providing services anytime, anyhow and anywhere. But that is easier said than done, especially when you are simultaneously engaged in keeping the entire Government network

working and dealing with supporting, designing and caring for every single Government Department – and, to boot, dealing with the ever-increasing threat of cybercrime.

I must thank the IT team for their excellent work in dealing with recent well-reported cyberattacks which have seen them covering our systems 24/7 to ensure we are as best protected as we can be. They have served us well and we are truly grateful to them. There is much work to be done in the area of cybercrime and we will continue to develop our plans for this. I would like to thank Tyrone Mañasco and his team of professionals in the IT Department for all their hard work during the year. I have personally seen the extent of their remit and am most grateful for their commitment to serving our needs.

Mr Speaker, Government is committed to delivering e-Government and a huge amount of work is being undertaken to deliver this. Yes, this is taking longer than we would have liked, but I am confident that we will deliver a service which the community will appreciate and be proud of once it arrives.

We are reviewing every single aspect of our IT systems, including all arrangements with the existing suppliers of services in this area and the internal arrangements within Government Departments in what our needs are and how we operate. All of these are being audited, as are our intended digital strategy. We are taking time to verify our systems and our needs to ensure compatibility and functionality across all our services. In brief Mr Speaker our Digital Strategy will deliver:

eAdministration will provide the entire Government with an operational system that will revolutionise how we work. The first phase, our procurement system, has already been introduced and suppliers are registering as we speak and we expect to go live very shortly. Any provider of goods or services to Government, its agencies or its companies will require to register on our system.

eCitizen will provide all citizens with a secure online portal to co-ordinate their entire interaction with Government.

eBusiness will provide a secure online portal for businesses to transact their business with Government directly and indirectly.

Mr Speaker, this resumé belies the extent of the change and the efficiencies that this will provide us with. There are a number of workflows running in parallel which will deliver a new way of doing business with Government, all built on a stable, robust and resilient network.

This is an enormous undertaking and I am grateful to all the many parties who are assisting us in making this a reality. Mr Stephen Ramagge and Cristabelle Barnett from our Procurement Department are currently working on the procurement system and I would especially like to mention them and thank them for their work in bringing this project in that phase to its fruition. I must especially thank Mr Julian Baldachino, who is driving this project across Government with an enthusiasm and energy which is critical to the success of this project. His determination matches Government's desire to make this a reality and he is ably supported by Mr Karon Cano, on secondment from our IT Department for this project.

Mr Speaker, a truly exciting time for the Government. I am very excited about the work as I believe this process will bring about perhaps one of the largest transformational changes the Government has seen, and certainly in the last generation.

In closing, I would like to thank my Secretary, Lourdes Piri – who incidentally had her husband and daughter receive medals at the Island Games in Gotland yesterday – and all the team in my office who are always there for me, providing a professional service and always supporting the work I do with a smile and a grin on their faces, whatever the challenge. They are a credit to the Civil Service and I am most grateful to each and every one of them.

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

Mr Speaker: The Hon. Dr John Cortes.

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):

Mr Speaker, during the first seven months of the last financial year I was Minister for Health; and so, while my friend and colleague the present Minister for Health will of course cover this period, it would be remiss of me not to highlight one or two of the significant developments during that time.

To my mind, the one most worthy of mention was the opening of the chemotherapy suite, which counted on the significant support of Margaret Ayling in memory of her late husband Leslie, known to many in this Chamber.

Also of note were the introduction of a full acupuncture service by chartered physiotherapists, and the extensive preparatory work for the opening of both Bella Vista and Hillsides at the former Royal Naval Hospital site, which my colleague has now very successfully opened.

Above all, I would like to thank all the staff and management of the GHA and ERS who worked with me at the time, for the support and loyalty they gave me during my five and two years respectively as their Minister and for their dedication and professionalism. I wish them and the new Minister every success in the future.

Mr Speaker, in that reshuffle I retained responsibility for public health. By promoting public health and health awareness we aim not only to improve people's health but as a result reduce the cost of healthcare provision for conditions that can be prevented or improved.

In 2014 I announced the second Health and Lifestyle Survey, to take place in 2015. This was successfully carried out by the Public Health department in 2015 and published last year. The report contained a wealth of information about the health and lifestyle of the Gibraltar adult population, including some sobering revelations for our society: the levels of obesity remain high – three out of five adults in Gibraltar are overweight or obese; smoking levels are high, higher than in the countries chosen for comparison. The good news was that alcohol consumption is generally low at all ages and Gibraltar people have a generally healthy attitude towards sunbathing behaviour and cancer risks.

Key events in health promotion have included participation in awareness campaigns for World Mental Health Day, stroke and stroke prevention; World Diabetes Day; World AIDS Day; support for Childline; World Cancer Day and No Smoking Day.

The Public Health department teamed up with GHA professionals to present a five-week teaching programme on sexual health for the older Bayside students and it is planned to extend this programme to Westside School.

The department teamed up with the Care Agency and the Police to deliver a series of presentations on binge drinking, alcohol awareness and addiction at Westside and Bayside and with the College to discuss the delivery of sessions on personal health and wellbeing.

There has been collaborative working with the Breathe Easy Society, Clubhouse, the Gibraltar Alzheimer's and Dementia Society, and the Environmental Agency, among others.

The Public Health department, soon to be rebranded as Public Health Gibraltar, has published numerous articles and video clips and is working with the Alameda Wildlife Conservation Park to discuss promotion of a reduction in the consumption of meat on both health and sustainability grounds.

A new Health Improvement Strategy will be launched by the end of this year for the next three years, commencing January 2018. It will continue to build on the priority areas identified previously, including healthy eating; reducing the harm from tobacco; exercise; preventing, detecting and reducing the burdens from diabetes; improving sexual health; and promoting mental health and well-being. In addition, the new strategy will aim to make progress on two key manifesto commitments of the Government: lifestyle improvement and the 'Health MOT' programme; and the self-care approach, encouraging all citizens to take control of their health and develop self-care awareness.

According to the World Health Organisation, childhood obesity is one of the most serious public health challenges of the 21st century. The Faculty of Public Health warns that unless these

trends are halted, being obese substantially increases the chances of serious medical problems. The Public Health department analysed data from the heights and weights of reception year children in Gibraltar over the years 2011 to 2014 and found that nearly one third of children were overweight; over the three years the pooled prevalence of overweight and obese children was around 26%; and there are more overweight boys than girls in all three years. To tackle this emerging and serious problem of childhood obesity, the Public Health department has been participating in a new initiative aimed at developing joined-up strategies through a multi-disciplinary group, the Children Healthy and Active Multi-Agency Panel (CHAMP) led by a consultant paediatrician. The group has a wide participation across agencies and departments, including the GHA, Education, Social Services, Sports and Leisure and Youth Services. The group will collaborate to produce a Childhood Obesity Prevention Strategy and will be making recommendations. It is not intended to pre-empt these, but one recommendation that has been consistently made in recent years is likely to be raised again: that of reforming school tuck shops.

Mr Speaker, I am still Minister for the Environment. As a passionate environmentalist as well, I will never feel that enough has been done for the environment. That of course protects me from possible criticism from Members opposite should they say that I have not done enough, as I will happily agree!

These last six years have seen the Department of the Environment and Climate Change network regionally and internationally. We have proudly flown the flag of environmental governance and leadership, leaving our mark in the international arena. The continuing attendance of our scientists at UN and Mediterranean Conferences of Parties highlights the valuable contribution that Gibraltar makes and the recognition it receives at an international level. I am proud to have co-chaired the second meeting of the Overseas Territories and Crown Dependencies Environment Ministers' Council in Alderney in April. The meeting was a resounding success as we discussed areas of common interest and concern, most notably climate finance, the Paris Agreement, Brexit, environmental funding and the role of Her Majesty's Government of the United Kingdom in environmental protection within the Overseas Territories and Crown Dependencies where it has a role. We have set ourselves targets upon which we aim to deliver by our next meeting in 2018 in the Isle of Man.

Mr Speaker, the devastating effect of plastic on the marine environment is a subject which has come to wide public attention in a big way only in the last few years. We all know now how plastic kills whales, dolphins, turtles and seabirds. It is likely also affecting human health as it insinuates itself within our food chain from plankton through shellfish and other molluscs to fish and hence to us. In this context I must highlight our work with the Gibraltar Federation of Small Businesses and the Chamber of Commerce in banning plastic bags and the use of microbeads. It is very encouraging to see how businesses of all sizes, in responding to us and to the Nautilus project, are acknowledging the issue of plastic bag pollution and are voluntarily moving away from plastics. We will continue to work with them to develop this initiative further until we fully achieve our aims.

Mr Speaker, the green filter within the much improved electronic planning process is constantly proving to be an effective environmental screening tool. To highlight this point, departmental scientists and technicians have attended 26 tender boards, reviewed 650 building applications and assessed a myriad of EIAs. The Department, in conjunction with Town Planning and NGOs, is currently working on a guidance document to increase biodiversity in Gibraltar's urban environment. This document complements the policy of installing bird and bat boxes within the urban fabric and to encourage green and brown roofs. By introducing and progressing this filter, we are ensuring that development continues in Gibraltar in an environmentally considerate manner, with many projects improved environmentally before they enter the formal planning process, hence facilitating their acceptance.

Moving on to waste management, recycling figures show an increase of approximately 59% in recycling of mixed packaging waste such as plastic and cans, and an increase of 120% in

cardboard and paper, thanks to the support of the public and commercial outlets. Additional recycling bins for various waste streams will be provided in the very near future to further increase our recycling rates. Waste electronic recycling figures also continue to improve with a further 68% increase during 2016. Overall, therefore, there has been an 88% increase in our recycling rates, which reflects also the success of the eco-park. Gibraltar's waste cooking oil bins are also proving successful with a 600% increase in collection rates. In the light of this, the Government expects this year to achieve total self-sufficiency in the handling of waste, increasing local recycling and processing further, introducing new streams, including treatment of organic waste, significantly reducing the amount that needs to be exported, and so moving away from any form of incineration.

The work of the litter wardens continues and, as a result, the number of instances of fly tipping continues to reduce as the use of time-lapse cameras helps us to tackle the problem. 'No dumping' signs continue to be placed in hotspots to further remind the public that, in Gibraltar, bins are only a short distance away. There still are a few significant problem areas, where we will be increasing our efforts. These matters form the main subject of discussion at the Litter Committee, but we must recognise that the solution to the problem of litter rests not with those who clear it but with those who deposit it. Litter awareness will therefore be another strand of work for the coming year.

As the House is aware, we are also in the process of reviewing the provision of the main cleaning services in Gibraltar, something that we will do with the certitude of achieving a cleaner and tidier Gibraltar while ensuring that the interests of employees are protected.

Mr Speaker, as I stated recently and as was the subject of a recent Government press release, in the light of the European Court of Justice judgment over our lack of sewage treatment, I can confirm once more that the Government is fully committed to a sewage treatment plant and is about to enter detailed discussions with a view to achieving completion within the next 30 months.

Collaboration with NGOs continues. Regular meetings take place, involving both departmental officials and myself, with the Gibraltar Ornithological and Natural History Society and the Environmental Safety Group, notably but not exclusively within the Brexit and the Environment Working Group. Meetings with the Nautilus Project, a more recently established group, have also begun and I am very pleased that all the Gibraltar environmental NGOs work together in many areas. This can only be good for our common aim of improving our environment.

The Nature Conservancy Council continues to be consulted on all issues associated with the protection of Gibraltar's natural environment, in line with my statutory obligations under the Nature Protection Act.

Work continues within schools to promote environmental concepts, to encourage recycling and help urban wildlife, and this will be developed much further this coming year. **(Hon. Miss S J Sacramento: Hear, hear.)**

The Department has also embarked upon the ClimACT project with the University of Gibraltar and institutions in Portugal, France and Spain. This has resulted in environmental audits of eight schools, looking at energy use, water, transport, procurement and green areas. The project will continue into the next school year, when reports on each school will be delivered.

The Government's geoportal continues to be well used. This interactive portal is being updated and now provides a great deal of electronic spatial data for Gibraltar; this was unheard of before we came into Government. The Department of the Environment continues to spearhead the use of GIS. To date more than 23,505 geoportal visits have been registered from 150 countries. The geoportal continues to support the local public and especially the private sector, which continues to be the largest user of our geographical information system assets. This year the Department has relied on GIS to support and develop innovative wildlife awareness-raising programmes such as the Pallid Swift cameras and the Vulture Tracking

Programme, which have a great following and are placing Gibraltar in the spotlight of regional wildlife conservation efforts.

615 Government remains fully committed to tackling the causes of climate change and last November requested from Her Majesty's Government of the United Kingdom the extension of the Paris Agreement to Gibraltar. A reply is awaited.

As part of its obligations under the Compact of Mayors, Gibraltar now provides a city-level inventory of greenhouse gas emissions. Gibraltar is one of only a handful of cities that have
620 reported a fully complete inventory and has in fact been commended by the Carbon Disclosure Project for the completeness of its submission.

Mr Speaker, I am particularly delighted to inform this House that air quality in Gibraltar is the best since records began 12 years ago and probably the best for decades. (*Banging on desks*)
(**Hon. Miss S J Sacramento:** Hear, hear.) We now have the lowest ever levels of PM10 particles,
625 with the level even at the traditionally polluted Rosia Road now below what we recorded as background levels at Bleak House when recording began. (**Two Members:** Hear, hear.) PM2.5 particles are also at their lowest ever. Significantly, both are below the EU maximum permissible levels. Following a spike in 2014 when the fire at the moribund Waterport Power Station required the use of the just as moribund dirty diesel power stations in the South District, I am
630 happy to report a rapid drop in pollution levels of nitrogen dioxide since 2015. This downward trend continued in 2016. Concentrations for Rosia Road were compliant – that is, below the EU required level – for the first time in the 12-year history of air quality monitoring in Gibraltar. (*Banging on desks*) This is a tremendous achievement and proves the determination of the Environment and Climate Change department, the GEA, and the Department of Transport in
635 achieving better air quality. It also shows that the Opposition has been totally unjustified every time it has tried to cast doubt as to our intentions and our ability to improve Gibraltar's air quality.

Government is now setting itself an ambitious target to reduce emissions from manageable sources by 50% by 2030. This will be achieved in large part by the improvements derived from
640 the new gas power station, but other measures to tackle building efficiency and transport emissions are also planned. Emissions from ships, for example, will be greatly reduced via the provision of shoreside power. Traffic will be tackled through the implementation of the STTPP, with the Department of the Environment assisting in particular with the development of electric vehicle infrastructure and improving electric and hybrid vehicle uptake. The Department will also
645 be working with the Ministry of Traffic and Infrastructure to roll out other measures in the plan, such as those which encourage walking and cycling throughout Gibraltar.

Targets for building energy performance were made more robust at the start of this year. This effectively means that developers will be improving their standards in order to meet the minimum requirements, and this is being reflected in the increased number of applications going
650 forward to the DPC which include solar PV and solar thermal installations as a matter of course. This is most important and not just another regulation. Energy efficiency reduces costs to developers, occupiers and taxpayers, reduces demand on power generation and also benefits air quality.

Mr Speaker, London is a city challenged by air quality issues, and the Mayor of London's team
655 is making huge efforts to improve this. I am happy to report that, following the initial contact made by the Chief Minister, I have been in contact with Sadiq Khan and that his environment team and mine will be pursuing contacts aimed at exchanging information whereby we will no doubt benefit from the experience of London in this field.

The GHA solar project has now become a reality and will use energy from the sun to provide
660 hot water throughout St Bernard's Hospital. Initial estimates suggest it could result in fuel savings of approximately £50,000 a year. Other renewable energy projects will also come to fruition over the course of 2017 as the Government remains committed to producing 20% of its energy from renewable sources.

The Energy Savings Opportunities Scheme was launched towards the end of last year. This requires large organisations to conduct energy audits every four years with a view to improving their performance over time. I urge all businesses to make use of the services now available from energy auditors to tackle unnecessary energy use within their organisations.

The last 12 months have seen a huge effort going into the new power station project, the associated new high voltage distribution centres, infrastructure, the new high voltage cabling network and the adjacent LNG facility. The new generators are in place. Construction of the LNG tanks is progressing very well and they will be arriving in Gibraltar in the coming months. Meanwhile, the GMES ex-MoD power station is now only on stand-by mode, resulting in the great improvements to air quality that I have already reported.

Improvements to the public lighting network continue with replacement of street lights with LED or low-energy lanterns reducing overall consumption. The programme of installation of smart meters will continue to be rolled out.

A total of 181.1 million units of electricity were billed last year, with the total amount collected being £25.65 million. The total installed generating capacity at the end of the year stood at 76.98 MW.

The number of consumers rose by 622 to 20,427. Despite this, CO₂ emissions saw a slight decrease from 161,543 tonnes in 2015 to 161,358 tonnes in 2016, reflecting the impact of the use of energy-efficient devices and increased energy awareness.

The Authority continues to upgrade and expand the network and the SCADA control unit that is used to monitor the generation and main distribution system, thus providing a better and faster response when dealing with power outages.

Training and development of technical staff continues this year with an emphasis on the new power station and its new technology.

Work is also programmed to continue on the replacement of substations, which now will be replaced to increase the reliability and robustness of the high voltage network. I am pleased to report no power outages due to problems of generation and the only case to report being one caused by the severing of a cable at a building site. How different the situation, Mr Speaker, to that which we inherited in late 2011, when power cuts were the order of the day due to old and insufficient plant, and when pollution was rife. In this context I would also like to express my gratitude to the CEO of the GEA and his team for successfully managing the major challenge of commissioning our new gas-fired power station.

AquaGib Ltd has maintained and improved on its levels of service and performance indicators in respect of the provision of potable and sea water, and sewerage services in Gibraltar. The company has continued to invest in capital projects as part of its asset replacement plan aimed at maintaining and improving the water infrastructure. The current approved investment plan is set at £3.2 million over the five-year period to 31st March 2020. During the last financial year, capital projects included: replacement of potable and sea water mains, and of customers' water meters, meter cupboards and meter manifolds; replacement of saltwater pumps at Moorish Castle Reservoir, North Mole, Gun Wharf and Haynes Cave; and replacement and installation of new Programmable Logic Controllers for Governor's Cottage reverse osmosis plants. Projects planned for this year include continuing the replacement of pipes and equipment and replacement and installation of new membranes for Governor's Cottage plants A and B, which will increase their efficiency. In addition to the above, AquaGib will invest approximately £650,000 in this period in replacing the high-pressure pump, variable frequency drive, energy recovery system and booster pump on each of the four reverse osmosis plants at Governor's Cottage. This investment has a payback period of around two years and will result in an energy saving of approximately 30%, worth thousands of pounds per annum.

Mr Speaker, the Department of the Environment's coastal and ground water monitoring programme continues to operate smoothly in conjunction with the Environmental Agency. Samples continue to be collected on a weekly and monthly basis from coastal monitoring sites, groundwater aquifers and from all of our designated bathing areas. The Department also

collects and monitors marine sediment, phytoplankton, fish and shellfish tissue samples. In addition, this year the Department has begun a marine litter monitoring programme. Through the use of these data, both Gibraltar's coastal and ground water aquifers are seen to be meeting the objectives set out in the Water Framework Rules and the Marine Strategy Regulations. I am
720 pleased to confirm that our coastal waters are currently achieving good chemical and ecological status.

Almost all of our beaches have seen an improvement in water quality under the classification of the Bathing Waters Directive. Eastern Beach, Little Bay and Camp Bay have gone from good in 2015 to excellent in 2016, Catalan Bay went from sufficient to good in 2016, and Sandy Bay went
725 from poor to sufficient. Western Beach kept the same status of poor in both years. We all know the story of Western Beach well and the Government will not stop lobbying in Brussels, beyond Brexit, until Spain puts measures in place to resolve this problem.

Mr Speaker, until last year our beaches were only under my remit from an environmental perspective but after last year's Cabinet reshuffle beaches in their entirety, that is to say as a public amenity, now fall under my responsibility. I am most grateful to my friend and colleague the Hon. Samantha Sacramento for her work and dedication in this area in her time there. Similarly, I would also like to thank the former head of the Department, Nicky Guerrero, for his
730 work in managing one of our most popular assets. The Beaches Division now forms part of the Department of the Environment. Although I have only been working with this team for seven short months, I am delighted to welcome this very professional and dedicated group to our Environment and Heritage family.

We have begun work in earnest and are already making changes to the lifeguard service with our primary responsibility to ensure that people in the community enjoy swimming in a safe environment. This year the lifeguard induction course was expanded considerably. New
740 resources have been purchased, including observation chairs for all our beaches and the bathing pavilion, as have new RLSS regulation rescue boards, to ensure that these individuals have the tools they need to perform their duties efficiently and professionally. We will have a total of 42 lifeguards this summer and a total of 13 accessibility attendants. We will take stock after this year's bathing season and develop an induction manual with an exam to be completed by all
745 future lifeguards.

Further to all this, beachgoers this year will have the added facility of an extra beach storage unit for public use at Sandy Bay, Eastern Beach and Catalan Bay. This will greatly improve the free storage capabilities already in place at these beaches. Unfortunately, the weather delayed our pre-season works programme slightly, but I am happy to inform this House that all works will
750 be completed within the next few days.

Our beaches have suffered greatly this winter as a result of increased storm damage. We have had 10 episodes of adverse weather, which have affected all beaches to varying degrees. Four of these were severe. The beaches which suffered the most structural damage were Camp Bay and Catalan Bay, with Eastern Beach and Sandy Bay having the highest deposition of marine
755 litter as a result of the storms. In addition, the northern end of Eastern Beach had the added inconvenience of the adjacent tunnel works. This said, the department has worked tirelessly to ensure all repairs were carried out efficiently and I must also thank our colleagues in the Technical Services department for their assistance and support in this respect. Catalan Bay in particular has undergone a major renovation, not only in structural repairs but also in the
760 removal of approximately 3,600 tonnes of rocks and the deposition of close to 10,000 tonnes of screened sand as part of much needed beach regeneration. The Government will now consider, in consultation with residents, how best to protect this beach in the future, as the predicted increase in storm surges will undoubtedly threaten serious detrimental impact on this beach and could threaten the integrity of the sea wall.

Mr Speaker, this year saw the publication of the revised programme of measures on marine surveillance which has been submitted to the European Commission. The document sets out measures that will help to achieve and maintain Good Environmental Status in British Gibraltar

Territorial Waters and so fulfil the requirements of the Marine Strategy Framework Directive, consistent with the Government's commitment to a clean, safe, productive and biologically diverse marine environment.

In parallel with this work and with monitoring of marine litter and marine noise, the Department's scientific divers, now formally qualified as such, continue to monitor the progress of our restoration efforts, including the oyster and seagrass regeneration projects. Monitoring invasive seaweed has also become the remit of the Department's scientific team, in addition to protection of marine fauna such as cetaceans, sharks and seabirds.

The underwater camera continues to be very popular with the general public and is receiving widespread attention from citizens and scientists alike in Germany, the USA, the UK and other parts of Europe.

A salient example of the success of the Government's creation of marine conservation zones is Seven Sisters Marine Protected Area. This designation has helped preserve an expanse of natural reef habitat that was becoming increasingly difficult to find in the Bay of Gibraltar. A wide variety of marine life can now be seen flourishing in this area, and evidence suggests that the populations of some fish species, such as breams and groupers, are increasing there. The protected area in the new offshore reef at Sandy Bay is yielding similar results.

Mr Speaker, Gibraltar is now a world leader in protection of sharks, rays and skates, having become one of only three countries in the world to provide near complete protection to these in a move that has received worldwide attention and the praise of many international organisations and individuals, including UN Patron of the Oceans Lewis Pugh. According to the latest assessment of sharks in the Mediterranean carried out by the International Council for the Conservation of Nature, at least 53% of the sharks and rays native to the Mediterranean Sea are at risk of extinction and require urgent action to conserve their population. This latest move by the Government of Gibraltar will help ensure that British Gibraltar Territorial Waters are a refuge for these species and is in keeping with the Government's wider mandate to become a leader in the application of regional marine protection conventions such as the Barcelona Convention for the Protection of the Mediterranean Sea.

Mr Speaker, Government's commitment to the protection of marine resources and fish stocks is undeniable. We are clearly beginning to see the results of our conservation measures despite the hyperbole associated with foreign fishing vessels. Angling is now licensed and the problem of dozens of non-resident anglers lining our shores has completely disappeared.

The Fishing Working Group continues to meet on a regular basis to discuss the sustainable management of marine resources in our waters. Once again, I want to thank all of its members who give their free time for this vitally important role. As an example of the Group's work, a temporary ban on octopus fishing was implemented from 15th April to 15th May this year, a pioneering measure in the history of marine conservation in Gibraltar. The aim of the ban was to improve breeding success by protecting octopus when they are laying eggs. Similar bans are regularly implemented throughout the Mediterranean but no previous Government of Gibraltar has had the courage and commitment to do this. Other bans, targeting vulnerable species and areas over defined periods of time, are also being considered by the Group, along with reviewing new and additional minimum sizes for fish in BGTW.

Mr Speaker, we are now well into Gibraltar's third Bluefin tuna fishing season. This continues to be managed exceptionally well with officials from the department and the Landing Point staff monitoring and recording catch data.

I cannot emphasise enough the importance of this fisheries work. As the status of our waters within the EU changes with Brexit, it is hugely important that we show the world – which is watching closely – that we are perfectly able to manage our waters environmentally and that our waters are indeed ours to manage. Any relaxation of our efforts at protection, or of the seriousness with which we regulate tuna fishing, would be jumped upon by our enemies to make a case against our jurisdictional authority. This is why we will continue in this and other areas of environment to not only keep to EU standards but to surpass them too.

Mr Speaker, having a dedicated environmental enforcement division has demonstrated to many, including other governments, the EU Commission and the Secretariat of the International Convention on the Conservation of Atlantic Tuna, otherwise known as ICCAT, that Gibraltar is serious about environmental protection. The Environmental Protection and Research section has been working 365 days a year to ensure that environmental legislation is adhered to. In 2016, the team reported 24 individuals for process in connection with offences against the marine regulations. Dedicated operations targeting specific breaches of the legislation are now occurring. Operation Spearfish, for example, proved extremely successful and has practically resulted in the cessation of the once-rife illegal spearfishing activities in BGW.

Ensuring that vessels comply with the cetacean protocol is another important part of the section's remit. Whales and dolphins are fully protected under local and international law and it is in our best interest to ensure that maritime activities, including the activities of tour operators, are consistent with the conservation objectives of the Government. In connection with this, the Department is considering designating an area within our waters as a dolphin reserve.

The team also carries out an important role when it comes to marine research and wildlife rescue. This year, turtles and numerous birds, including Griffon Vultures, Short-toed Eagles and Gannets, have been rescued. The release rate is high, thanks to the sterling work carried out by the GONHS Raptor Unit and the Gibraltar Veterinary Clinic.

Moving on to environmental health, the Environmental Agency continues to work and advise me in the areas of nuisance, building control, waste regulation, ship sanitation, COMAH, food inspections, food import controls and much else. Work last year included 1,200 inspections to ensure hygiene in food premises and 109 ship sanitation certificates, a relatively new service in our Port.

The Agency services and calibrates our three air quality monitoring stations, liaising with pollution specialists, and continues to form part of the European Network of Drinking Water Regulators (ENDWARE). It continues to participate in the EU Vectornet programme, which is studying the distribution of the mosquito, tick, sand fly and other disease vectors.

The Agency's new website has been launched, providing easier access to users for the dissemination of environmental information, and in the next few weeks all forms within the website will be able for filling in online. The mobile App 'Gibenviro' continues to be improved and provides information to the public on a variety of environmental topics, including bathing waters and recycling.

The Agency continues to advise the Government on all relevant legislation. Currently it is doing sterling work with the Health and Safety Laboratory in the UK as the process of designing and constructing an LNG plant at the North Mole proceeds.

Mr Speaker, the state of the North Front Cemetery was the subject of a motion debated in Parliament some months ago. I was very pleased that we were able to come to a consensus during the debate and agree on the final motion. I am conscious that some time has elapsed, but things can take time if we want to get them right. I am more than happy to announce that a contract has been awarded to an experienced contractor for the upkeep and maintenance of the planted areas of the cemetery. Discussions are advanced and work is due to start on 1st August. A maintenance programme has been prepared by the Department of the Environment in consultation with the Botanic Gardens, who have provided their input pro bono. This will ensure that areas of vegetation are maintained and not allowed to become overgrown and create problems of access to visitors. There will also be a programme of planting of shrubs that are attractive and can survive the sometimes harsh conditions of the site. In addition, a Bill for an Act to replace the current outdated Cemetery Act will be published shortly. All told, the coming financial year will see great improvements to the state of the cemetery and I am confident that it will finally cease to be a source of embarrassment and consternation.

Mr Speaker, green spaces are a great benefit to our environment, with Commonwealth Park providing what most, even the erstwhile critics on the other side of the House ... an essential

area for leisure and respite from the stresses of city life as well as a filter for pollutants. We continue to plant trees wherever possible and we are seeing that we are victims of our own success – we cannot find places to plant them – as last year’s output of 193, although higher than it ever was pre 2012, is considerably less than that reported in previous years. That said, we will continue to explore areas where trees can be planted and, in so doing, increasing habitats for birds and insects within the urban environment, providing shade and removing carbon dioxide from the atmosphere.

The Gibraltar Botanic Gardens at the Alameda continue to grow more beautiful and at the same time expand their work on taxonomy, ecology, conservation and, very particularly, education. Its partnership with the University of Gibraltar resulted in the University’s first Erasmus student, Elizabeth Ulloa Chaura from Chile, doing a three-month traineeship at the Alameda. April 2016 saw the 200th anniversary of the opening of the Gardens, marked with the opening of a tropical glasshouse. The gardens continue to raise their profile as a centre of excellence for the study and cultivation of succulents. The gardens’ curator has hosted visits to Gibraltar from high-profile succulentists, keen to view the Alameda’s important work in this field. Other work by the curator has included the exploration of new habitats for cacti in the Caribbean and visiting other botanic gardens to advise on succulent plant curation. The children’s education programme continues to go from strength to strength, with the gardens’ education team further improving its links with local schools and capacity to advise and assist these with the development of their own gardens.

The International Garden Photographer of the Year is arriving in Gibraltar for the first time next month. This promises to be a world-class outdoor exhibition that will undoubtedly attract considerable attention from residents and tourists visiting the Rock. To mark this occasion, the Department of the Environment and the Gardens have teamed up with the Photographer of the Year to introduce a new award known as Green Gibraltar, details of which will be announced shortly.

Mr Speaker, so much has changed in the Gibraltar Nature Reserve since I came into office in 2011, but it is also true that there is still so much to do. As part of the Government’s commitment to improving the value of the Nature Reserve, the Department published the Gibraltar Nature Reserve Management Plan as a consultation document in September. The plan contains a wide range of action points for the Upper Rock and other areas of ecological importance that were afforded protected status in 2013. Providing new facilities, improving existing sites and reintroducing species all form part of the numerous measures included in the consultation document. Many of these are well underway.

Perhaps more importantly, Mr Speaker, building on the success of the consultation process, I will shortly be making major strategic changes to the management of the Gibraltar Nature Reserve. These changes, informed by the draft management plan and by experience in protected areas elsewhere, will come at little financial cost but will project our Nature Reserve, with all its various types of heritage, well beyond our borders. Meanwhile our day-to-day work continues, with habitat management and creation being carried out in key locations and a number of initiatives to re-wild the reserve.

Mr Speaker, it is fair to say that the collaborative work of the Department and the GONHS has saved the now not so secretive Barbary partridge. I remember when the Opposition used to goad me with accusations that I was going to be singlehandedly responsible for the extinction of the Barbary partridge. How wrong they were yet again, Mr Speaker!

Our efforts are now focused on more ambitious initiatives. Earlier this year, the Department began a project aimed at attracting the osprey, a spectacular fish-eating bird of prey, back to the Rock. A successful reintroduction programme is currently underway in Cádiz and the Department of the Environment has recently joined the regional efforts to increase population numbers in consultation with the GONHS as well as regional experts from Andalucía. The installation of artificial nests with decoys is aimed at enticing passing ospreys to stay. Plans to reintroduce other species are also active.

We will continue to vigorously pursue our policy of improving the Gibraltar Nature Reserve. The beautification works currently underway at Douglas Path, Mount Misery and Europa Foreshore serve to demonstrate this ongoing commitment and there is much more to come.

Mr Speaker, tourist sites are another recent and welcome acquisition of my portfolio. Once again, I have acquired an excellent and dedicated team of administrative staff and site officers whose knowledge and experience in managing a tourist product are invaluable to Gibraltar.

The Tourist Board's past investment in its sites in the Upper Rock coupled with the transformation of the Nature Reserve have made all the difference in upgrading this asset. This year we will introduce an audio guide system at the World War II Tunnels. The feedback received from visitors to Windsor Bridge has been excellent and I have no doubt that the Skywalk will have similar success. It is due to be completed in a few short weeks and opened to the public shortly after as part of a larger renovation project within the Mount Misery area. Other improvements will also be seen soon in the Europa Point area, including new viewing platforms and interpretation.

Mr Speaker, I can report that, as a result of the culling programme, the long-term trend in the breeding population of gulls in Gibraltar continues to be one of decline. Despite the limitations in gull control that are imposed when working in an urban environment, surveys show that the urban population now appears to be decreasing as well. Indeed, the number of house calls received and attended by the Avian Control Unit decreased substantially during 2016 and this is most likely as a result of the sustained effort in controlling the gull population in built-up areas as well as elsewhere around the Rock. This often difficult and dangerous work, which includes removing nests from tall rooftops, is one of the most valued services that is performed for the public by the Avian Control Unit, and their efforts and dedication deserve to be highlighted. Although the general trend of gulls in Gibraltar is one of decline, a small increase in breeding birds has been detected on the Great East Sand Slopes, where the topography makes control using the current methods difficult. Discussions are currently underway to explore other more natural options for controlling nesting gulls on the eastern slopes, including the reintroduction of predators such as the red fox.

Mr Speaker, from the outset, our management of the iconic Barbary macaque has progressed in ways that avoid the need for extensive culls, such as used to be the case in the past. While contraceptive implants have been used for several years now, they are of limited duration and sometimes not 100% effective. As of September last year, the Macaque Management Team, run by the Department of the Environment and which includes the GONHS and the Gibraltar Veterinary Clinic, has introduced surgical contraception by way of laparoscopy. The Gibraltar Veterinary Clinic has so far treated 29 macaques from most of the groups, approximately a third of the females of breeding age. It is important to note that the animals that have been contracepted are females which have already had one or more young in past years, so they are not denied the opportunity of becoming mothers. This is crucial in macaque society. The numbers of females sterilised in this way is also limited so that there will always be some within every group which will bear young. This method will have the long-term effect of stopping population growth, while allowing social structures to remain and not threaten the continuation of the Gibraltar macaque population. All this is being monitored by the team in consultation with Prof. Agustin Fuentes of Notre Dame University, Indiana USA, a great friend of Gibraltar and Chair of the Macaque Research Panel.

As an additional management tool, this year has also seen the start of a programme to carry out genetic fingerprinting of the whole macaque population of Gibraltar. Correct management of our Barbary macaques is essential, and not just to reduce the nuisance they can cause in built-up areas. This species is endangered, as reflected in the recent up-listing of the species to Appendix I of the Convention on the Illegal Trade in Endangered Species of Wild Fauna and Flora. The up-listing, which was supported by the International Primate Protection League (IPPL) and over which I was consulted in my personal capacity as a macaque conservation biologist,

975 highlights the importance of the species and of Gibraltar as a refuge for this primate which is facing disappearance from its North African habitat.

Monkey Talk Gibraltar continues to work closely with the Department in all areas of education on the macaques, and I thank Brian Gomila for his energy in promoting responsible enjoyment of our monkeys.

980 Mr Speaker, I believe it is fair to say that the Government has largely resolved the problem of macaques impacting on our built-up areas in a large way, which, as I said repeatedly, would take a few years of patient work. We are in an exciting position where we can now fine tune our management methods so that all of us can once again start to think of our monkeys in a positive light and as an asset to Gibraltar.

985 Mr Speaker, the reshuffle also delivered Heritage on to my desk. I must start by paying tribute to the excellent work which my predecessor, the Hon. Steven Linares, carried out until I took over late last year. His exquisite restoration of Wellington Front is but one example of his achievements. **(Hon. Chief Minister and Hon. Miss S M Sacramento: Hear, hear.)**

990 I am excited at the prospects ahead, particularly in areas where Heritage, Environment and Education, all areas now under my responsibility, can come together. The expanded Department of the Environment, Heritage and Climate Change now includes a Heritage Division with three officers, and is therefore more resourced than ever before. It is important that the different stakeholders have available points of contact and support within Government and with this comes a sense of common purpose.

995 Following consultation with stakeholders, a new Heritage and Antiquities Act is in the final stages of preparation and will be published as a Bill very soon. This will clearly define the responsibilities that will govern all Heritage matters, including an expanded listing of assets in its schedules. The Act will set up a Heritage and Antiquities Commission. I have additionally revived the Heritage Action Committee in a revised format as a smaller outfit of key players who can
1000 advise me when quick action is required. It will continue to function as it will complement and not be replaced by the Commission. I am pleased to report to having chaired two meetings of HAC so far and these have proved very useful and productive. The next stage is the development of a Heritage Management Plan, a tool to give effect to the requirements of the Act. The plan will identify those areas of heritage which we regard as important and value the most. It will also
1005 allow developers to have a clear picture of how their proposals might be viewed in the context of heritage, which will be useful for planners. In this way we will develop a coherent strategy, where development and heritage are de-conflicted at an early stage. Work has started on a draft and I will publish the final document after consultation with stakeholders, when it is completed.

1010 Over the coming year, I will be looking at further ways of managing and improving our heritage. We are blessed with a richness of heritage that is the envy of many, but this brings with it responsibility. Government cannot tackle so much on its own or at once, so we will be looking at ways in which we might attract outside investment. The Moorish Castle is one area that is being looked at after the World Heritage success. Its restoration is something that the Gibraltar Museum, currently the managers of the site, are keen to embark upon and I am
1015 discussing with them ways of achieving this goal in the medium term. Plans will be developed during the course of this financial year.

This is the first Budget speech after our success on the World Heritage front, so I feel it is essential that we should acknowledge this success, without doubt, as the most important achievement in Gibraltar's heritage history. I wish to record here the huge contribution made by
1020 my colleague the Hon. Dr Joseph Garcia, who steered the bid through to its positive conclusion, and once again my predecessor as Minister for Heritage, Steven Linares. *(Banging on desk)* The bid took many years to achieve and hurdles to overcome and we now look forward to the next chapter in the story. In recognition of the efforts made, I must also thank and credit the countless hours dedicated to this achievement by the team of professionals and support staff
1025 within the Gibraltar Museum led by Clive Finlayson, who helped not only with the research and promotion but the logistics and refurbishment of the site and its access. *(Banging on desk)*

I am pleased to announce that the new viewing platforms at the Europa Advance Batteries have now been completed and that I am currently finalising plans for their opening. From here visitors will enjoy magnificent views of the Gorham's Cave Complex, the imposing Rock itself and the Strait of Gibraltar and the north coast of Africa beyond. Access to the caves themselves has to be strictly controlled because of the nature of the access and also the sensitivity of the site, so the viewing platform will accommodate a large public. This type of solution has been applied at other World Heritage Sites with similar characteristics and we will strive to make the site as accessible as possible within its constraints. We have already improved walkways, which means that two levels of access down to the caves are now possible. One of these allows close views without affecting the site at all and will permit us to have more visitors going down to the caves than before to enjoying their splendour and majesty. We will always be looking at ways, especially involving new technology, of making the site accessible to the widest possible public. While on the subject, I am pleased to report that the Gibraltar Museum will this year be returning to the two months of excavation at Gorham's and Vanguard Caves, starting very shortly.

The Gibraltar Museum recently boasted an attendance close to 2,000 people at their Open Day. It shows that heritage is very much alive in Gibraltar, and this House needs to be aware of this. The Museum has completed a full refurbishment in two years. Last year the Chief Minister opened a new wing on the ground floor which highlighted the now globally popular Nana and Flint. They have been a remarkable success. This year I was able to complete the circle by opening the brand new wing on the first floor dedicated to military and social history with a gallery which is very close to my heart: ornithology. We have a museum worthy of being called our national Museum, reflecting the diversity of our history, natural history and heritage.

The dissemination of heritage information at all levels is something that we need to encourage. I am pleased to confirm that steps are being taken in this area with the view of producing a series of publications, some of which will integrate heritage and the environment.

The Heritage Division has also participated in other projects of international importance, such as the restoration of the 16th-century Franciscan frescos discovered at the Convent. This project emphasises the importance of collaboration, as it was jointly co-ordinated and funded by the Convent, the Gibraltar Heritage Trust, the Friends of Gibraltar Heritage, and of course the Government.

Another milestone in the protection of our heritage was the relocation of the old MoD gatehouse at the entrance to the former dockyard. This clearly demonstrates that this Government will do everything in its power to preserve our buildings of historic importance.

The Gibraltar Heritage Trust enjoys a very good and open relationship with the Department. They are firm in their advice and we welcome this, consulting them on many matters and not just for statutory reasons. We believe in collaboration and common objectives and we should also include and thank all the volunteers who give of their free time. We value their support.

This year also saw the renovation of anchors by volunteer Bart van Thienen, of Europa Foreshore fame, come to fruition with a deployment at Ocean Village, with a number of others in the pipeline. *(Banging on desk)*

Looking ahead to the rest of the year, we are consolidating our mobile heritage asset register that will keep track of all our moveable heritage such as cannons, cannonballs etc. As part of this process, we intend to promote an initiative to encourage the registration of artefacts of heritage value that persons might have in their possession. The intention is that the individual would be allowed to retain the artefact after it has been recorded for posterity. We will also be concentrating on developing plans for the refurbishment and maintenance of the City walls and fortifications, amongst them the Northern Defences where, as the Deputy Chief Minister described yesterday, sterling work has been carried out over the past few years. But there is still a lot of work that needs to be done and many heritage assets that need repair and maintenance, such as the World War II structures in different areas of the Upper Rock or, as I have already mentioned, the old prison compound at the Moorish Castle. These should be seen as

opportunities for urban regeneration and new tourist attractions, enhancing walks and bringing these areas to life again.

Mr Speaker, my responsibility for urban renewal is now integrated into my Heritage Division. The Urban Renewal Committee is now meeting and is reviewing legislation that will encourage renewal and protect the urban environment, and I want to thank once again my friends Samantha Sacramento and Paul Balban for their contribution to this committee. In this role, I seek to encourage the sort of development that will revitalise our urban areas while protecting their features. I am therefore pleased to see projects developing such as at Police Barracks and the boutique hotel in the Upper Town. Ways of formally encouraging such schemes are being considered. In collaboration with the Ministry for Culture and the Gibraltar Heritage Trust, we will shortly be launching a new street art initiative to also refresh some of our more drab urban areas.

The Garrison Library is another of my new responsibilities, and one that has changed considerably since it was handed over to Government in 2011. It is now used on a daily basis by local researchers and students alike, who make good use of its collections. The library has been building on its research output, with its focus on Gibraltar, through key projects, including an ESRC funded project together with the University of Essex on a major history of Gibraltar, with close to 400 interviews conducted which will be made available to the public. The Government funded the final conference for this project, which was a great success and which took place in the Garrison Library in February. Another major project, the Encyclopaedia of Migrants, is another example. Working with EU partners, funded by the EU with Government support, this has allowed this project to produce an important insight into migrations, including those in Gibraltar, and will culminate in a conference here in Gibraltar this week. Every year, together with the office of the Deputy Chief Minister, the Garrison Library organises an international symposium on self-determination, which is now in its fifth edition. Mr Speaker, as a former member of the Garrison Library Committee many decades ago, I am very excited to build on my new working relationship with the library team with a view to ensuring we protect it for future generations as the rich historical and cultural treasure that it is. I will be working closely with the team to assess ways of making improvements to the library, including increasing its revenue streams.

Mr Speaker, I see the coming year as one of consolidating systems for the protection and management of our rich natural and historical heritage. While this is being done we will be looking at new tangible projects where we can begin to make a difference in terms of sites and attract investment.

Mr Speaker, as you have seen, the daily work of the revitalised Department goes hand in hand with contributors from other Government Departments. Using our collaborative ethos, the newly constituted Department now works closely with colleagues in Town Planning, Land Property Services, Housing and the Technical Services Department. Preserving our heritage really is a team effort.

I repeat: this administration's environmental ethics have always been deep rooted, from the days that the first GSLP Government created a Ministry for the Environment in the 1980s for the first time in Gibraltar, and have never consisted of doing the bare minimum in order to comply with law, whether it be local or international law. Our track record clearly proves this, as there can be no doubt that, based on the foundations of decades ago, this GSLP/Liberal Government has achieved more for the environment than any other in Gibraltar's history. (**Hon. Chief Minister:** Hear, hear.) And this is for good reason, Mr Speaker. Environmental issues are no longer fringe. Environmental stories now regularly make the headlines and are not just the cute and cuddly good-news story at the end of a bulletin, for climate change is the greatest threat to the world as we know it. Dare I say, Mr Speaker, in these difficult days of despicable, criminal, terrorist attacks, that in the medium to long term climate change is an even bigger threat. These are not my words, Mr Speaker. Richard Clarke, the former National Co-ordinator for Security and Counter-Terrorism in the United States, surprised a TV interviewer when he stated just this on

the day after the Manchester bombing. If left unchecked, climate change will result in more death and more suffering than the world has experienced in decades. Floods, drought, famine, extinction of crop species and migration en masse would all occur as a result. Is this the world we want to leave our children and grandchildren? We must all play our part. We must live more sustainably. We must reduce our consumption of electricity and power, our use of plastics and our reliance on meat products as food. Apart from environmental sense, it makes financial sense too. These are not examples of Kellyanne Conway's famed alternative facts. Each and every one of us has a duty to move firmly towards functioning sustainably; and as representatives of the people, for us this is especially relevant. As the great US equal rights campaigner John Lewis once said: 'If not us, then who? If not now, then when?'

Mr Speaker, as this House is aware, the University of Gibraltar is an independent entity, but I would not be doing it justice if I were not to mention at least some of the achievements of the past year and plans for the coming one. I will quote from a letter I recently received from Prof. Christina Slade, interim Chair of the Academic Board:

As Chair of the Academic board of the University of Gibraltar I am writing with the support of the Board to commend the work of the executive over the past eighteen months and to congratulate HM Government of Gibraltar for their initiative....

The complex policy frameworks necessary for a university are in place, including quality assurance, academic governance and higher degree and research procedures. In the first 18 months there have been 278 students (45% higher than expected) in 19 courses. 13 nationalities are represented.

The University is now recognised by and has associate membership of such major bodies as the Universities UK and the Association of Commonwealth Universities.

Highlights over the past year have included the launch of the Commonwealth Scholarship funded by the Government, the doctoral programme, establishment of key advisory groups, establishment of Professional Certificates of Competence, and developing of external sources of income.

The University has ambitious plans, which include the construction of student accommodation, a new language centre and business school and, in collaboration with the Department of Education, the offering of a Gibraltar custom-made Postgraduate Certificate in Education. I would like to commend the board and the Vice-Chancellor for their work in driving the University forward with such commitment.

Mr Speaker, this is of course my first Budget speech as Minister for Education and I want to thank my predecessor, my colleague the Hon. Gilbert Licudi, for his great work in this area. It was from him that I inherited two new schools and the University, and also a most professional Department that functions extremely efficiently and well. I am also happy to say that now, as then, education remains a top priority for the Government.

Indeed the last financial year has seen substantial change and exciting developments. As we look into the future I am extremely confident in our ability to build on what we have already achieved, delivering on a change programme that will allow our youth to develop as citizens in an ever-changing world, ready to make an important contribution to Gibraltar's future and beyond. Investment in Education is what ultimately should allow Gibraltar to thrive as we face the challenges that will invariably be thrust upon us.

As my friend the Chief Minister mentioned yesterday, Government's commitment towards higher education is unparalleled. Financial year 2016-17 saw 318 mandatory undergraduate scholarships, 169 postgraduate scholarships and 28 discretionary awards. This amounts to a total of 515 new scholarships – a year-on increase of 89 awards. The number of students who have benefitted from higher education during 2015-16 amounted to over a thousand – 1,038 to be exact. Moreover, further opportunities for personal development continue to be accessible through distance learning courses and the highly successful Washington Internship Programme, which has now run consecutively for four academic years and has provided a total of 79 graduates with unrivalled professional experience and knowledge through select work placements.

1175 The proficiency of the public service has a direct impact on all the community, and as such it
is imperative to ensure that personnel receive continuous professional development and
statutory training to deliver an effective service. An investment of over £½ million was allocated
for this specific purpose and has, to name a few, provided specialised essential courses in the
1180 fields of Financial Services and Gaming, Tax, Archives, Maritime Law, Economic Development,
Technical Services and Town Planning. Professional development continues to be promoted
through management and leadership courses, teacher training programmes and accountancy.

The private sector has also benefitted from over £150,000 of central training funds, and
whilst accountancy and maritime operations continue to be the primary courses in demand, it
has also promoted other sectors such as the Gibraltar Dental Association, with dental nursing
1185 diplomas for nurses practising in this field.

The Student Support Homework club has been a resounding success and provides the ideal
set-up and environment for students to study after school hours.

The financial year also saw the launch of the new Project Search. This has been set up
specifically to assist school leavers with special educational needs to identify apposite
1190 employment and support the transition.

The minor works programme for financial year 2016-17 included external and internal
refurbishment works and was designed to complement Government's plans for the
redevelopment of various schools under the umbrella of Education, and primarily, but not
exclusively, targeted schools that are not earmarked for redevelopment. These included the
1195 continuation of the Design and Technology workshop overhaul at Bayside School and works to
improve accessibility at Westside School, which included constructing an extension to create
extra classroom space for the Learning Support Unit, the installation of a lift to access first floor
specialist rooms and the rendering of the external façade. Additionally, the Gibraltar College has
gained an extra ICT suite and the replacement of windows to improve ventilation. Rendering and
1200 painting works to the external and internal façade of St Joseph's First and Middle schools were
completed, thus extending the lifecycle and heritage value of this historical building and
providing a much-needed facelift. The reception lobby shared by both schools was redesigned to
improve security and control access. An elevated first-floor extension was constructed in
St Mary's School to provide an assembly/indoor activity facility large enough to host the entire
1205 pupil population, and a full double-glazing window replacement was undertaken in all communal
corridors to improve ventilation and building insulation. Works at St Paul's School included
repairs to part of the external façade, the refurbishment of the student library and removal of
timeworn skylights, with modifications to the roof structure and tile covering to improve
building insulation. Structural works were undertaken at St Bernard's Nursery to address water
1210 ingress and preserve the value of this old building. The window replacement programme was
sensitively undertaken to optimise the use of natural lighting whilst observing its unique
heritage. The final stage of the window replacement programme at Bleak House, another
heritage building, was completed, and all obsolete air-conditioning units were replaced to
comply with EU regulations.

1215 We are now about to embark on the works programme for 2017-18. This will include
redesigning the reception and lobby entrances to both secondary schools and relocating the
school secretaries' offices to augment student safety and monitor access. CCTV will be installed
strictly around the school perimeters. Some essential works will be carried out at Bayside and
Westside, primarily to ensure compliance with health and safety standards and to make certain
1220 that the premises are fit for purpose and the school continues to operate effectively until new
premises are delivered. Works listed for the Gibraltar College include reconfiguring the Resource
Centre. The John Mackintosh Hall annexe building will benefit from a much-needed sports hall
window replacement and overhead doorway canopies to protect students and the building
façade from inclement weather. The renovation of St Joseph's Middle and First Schools will
1225 continue on to the last stage of the external programme – the refurbishment of the Band Room,
housing the music suite of St Joseph's Middle School – and will commence the first stage of the

internal refurbishment programme, that is all top floor classrooms, corridors and stairwells and offices. In addition, the linoleum replacement schedule will also be continued and an extra area of canopy roofing will be installed in the playground of St Joseph's First to provide shelter for the little ones. In the same vein, it is also sensible to continue investing in the preservation and expansion of St Mary's School building to meet the increasing demand of pre-schooling and growth in pupil population. This will entail part reroofing to address rainwater ingress, building a ground level extension and covered play area to relocate the nursery area and enable additional classroom space, and structural works to ensure the integrity of ground level flooring. A survey of the drainage system servicing the school and surrounding elevated areas is currently taking place to identify an effective method of rerouting the excessive volume of storm water that can collect in the area to prevent further damage to the school building and property during torrential rain. Works earmarked for the Hebrew Primary School include repairs to flooring, the refurbishment of the lobby area and refurbishment of the assembly hall. Varyl Begg Nursery has historical issues with humidity and water ingress, so the extension that serves as the reception/lobby entrance will be renovated. Additional temporary classroom and toilet facilities will be made available at St Martin's School to absorb the increase in pupil numbers expected in September 2017. Plans for St Paul's School include the refurbishment of the pre-school nursery facilities, the installation of a ramp at the school's main entrance to improve accessibility, damp proofing and redecorating works to a number of areas and rerouting of storm water drainage.

Mr Speaker, on matters relating to special educational needs it is crucially important to note that the rise in the number of children requiring additional support is remarkable. Teachers and learning support assistants have therefore received further training in special needs in order to deliver the best provision possible. All six special educational needs co-ordinators, known as SENCOs, successfully completed the National SENCO Award course. There have been organised talks on Tourette's and autism from visiting speakers attended by teachers and learning support assistants, and a number of teachers have travelled to conferences in the UK with the aim of increasing their knowledge and then sharing good practice with other members of the profession. Furthermore, workshops have also been organised on different areas relating to special educational needs.

The secondary sector continues to develop more vocational courses through ASDAN, the Award Scheme Development and Accreditation Network, supporting children who perhaps cannot cope with the demands of the GCSEs. This gives them an alternative pathway and an opportunity to showcase their knowledge and skills.

Last year a number of teachers completed the Dignified Care and Responsibility Train the Trainer course; this year these teachers have delivered the course to a number of schools and will continue to do this next academic year until all schools have been covered. Our teachers and support staff need to know, and indeed feel reassured, that their safety and that of the pupils under their care is paramount.

On assessment of pupil learning, a change to the National Curriculum and the assessments of pupils with the removal of levels has necessitated engagement in collaborative work with schools, subject leaders and experts in the UK. Formative assessment refers to the part of everyday teaching and learning that enables a pupil to build on their learning; summative assessment gives information on a pupil's overall performance at a specific point in their learning. Both are considered crucial in order to guarantee that all children reach their maximum potential. We have therefore invested a considerable amount of time and effort in order to address these changes and come up with viable mechanisms to guarantee success.

Teachers can and do make a tremendous difference in the lives of the young people under their tuition and in their care, and as such can impact on the wellbeing of the children and their families. Just as the reverse is true, so also the right teacher at the right time can define a child's wellbeing and ability to fulfil his or her full potential. In fact, quality assurance is high on our agenda. This year we successfully launched a revised code of practice for teachers in partnership with the Gibraltar Teachers' Association. The main aim is for teachers to be well informed of

1280 what is expected of them as teachers. It affords us the tools to celebrate good practice and challenge underperformance when this happens. The safety net of the code gives us the procedure whence to trigger disciplinary, capability and grievance procedures should this be necessary. We will also be developing and enforcing a zero-tolerance policy to ensure the profession is treated with respect and that teachers can go about their duties with confidence that they are fully supported.

1285 We also have plans, in partnership with the University of Gibraltar, as I briefly mentioned earlier, to produce a bespoke Postgraduate Certificate in Education, offering a single pathway into teaching and making us the gatekeepers, assuring the quality of the product. This should enable us to have more of a say in terms of recruiting the best teachers possible, using our schools as teaching practice schools, monitoring student teachers at all times and guiding them through the process.

1290 Mr Speaker, a post of Assistant Education Adviser has been regraded to full adviser, and the roles of education advisers have been redefined to reflect our emerging needs. Areas such as child welfare, staff management and curriculum development with quantitative and qualitative quality assurance will now be the responsibility of the successful applicants, who will be in post by 1st September this year. We will also be moving in all areas relating to leading through technology in education.

The focus on improving interactivity through technology and how to make this more effective in teaching and learning continues to be the main driving force of the use of technology in our schools. The initiative centres predominantly around access to handheld devices for teachers and pupils. Training on how to operate within this platform has been provided through an Apple educator offering in-services and online access to teachers. What began two years ago as a project pioneered at St Bernard's Middle School has been laid out to other schools to varying degrees. Governor's Meadow First School and St Martin's Special School in particular have received equipment and training that has allowed them to make significant headway in using these technologies. The planning stages to equip and train staff at St Mary's First School, St Joseph's First School and Middle School are already arranged and set for the coming academic year. As well as this, all other schools continue to develop this initiative within certain year groups and classes and it is expected that the full programme will be rolled out in stages to all schools. The technical infrastructure of schools is a key factor in the successful development of this programme. It relies on robust and secure access to the internet. This will be provided in all schools this year, whether or not they form part of the new schools project.

1300 The Department of Education has worked in conjunction with the Kusuma Trust, University College London and the University of Gibraltar to provide training in programming and coding for teachers. The course was taught by lecturers from UCL's Faculty of Computer Science.

1305 The Department of Education continues to develop and formalise an initiative started by my predecessor to consolidate Gibraltar Studies. Much progress has been made, initially at first and middle school level, and we will see important developments during the coming academic year.

A substantial amount of work has also been carried out in relation to child protection and safeguarding. The Tier 2 Safeguarding course has now been revamped in line with the Signs of Safety model, and four of the designated officers from different schools have attended this. The rest will be completing it in October. Since October, 86 teachers plus learning support assistants have completed the Tier 1 Safeguarding course. Plans are well underway to ensure that more teachers receive this training throughout the next academic year.

1320 We are currently reviewing and assessing all our procedures in relation to child protection, revising our policies, training and retraining teachers, offering in-service provision, sending teachers on conferences abroad, working closely with the Royal Gibraltar Police, Care Agency and the Youth Service. We take these matters very seriously and will leave no stone unturned in order to guarantee the protection of children at all times. Recent work on a Sexting Presentation produced in partnership with other agencies and aimed at parents is testament to this commitment.

The addition of an auxiliary role to the team of educational psychologists (EPs) has allowed our existing EPs to engage in more in-depth complex work with our rising number of Special Educational Needs pupils. The assistant, a fully integrated member of the team, completed a Joint Council Qualification approved Certificate in Psychometric Testing and Assessment and Access Arrangements, which allowed her to cover all academic assessments, thus helping with the transition and exam access reviews. This year, the team of psychologists additionally benefitted from the support of an intern from the University of Louisiana. Plans are already underway to continue to afford other interns the opportunity of accumulating the necessary hours required in a professional setting and to take advantage of this in order to help and support our schools. The team of psychologists also continue to deliver on their drop-in evening clinics aimed at parents and carers who have concerns about their children's learning, development or behaviour.

Mr Speaker, child and adolescent mental health is a subject of great concern. I co-chair the CAMHS Committee with my colleague the Minister for Health and Care, and we will this year be making recommendations on ways to improve provision and to support the professionals, including the teachers so often in the front line in helping young people with mental health concerns.

The recently launched language school at the Gibraltar College continues to attract attention. There are currently 118 pupils enrolled – 95 reading Spanish and 23 French – across different age ranges, starting at the early age of six. The value of this initiative is more than significant: bilingualism is part of Gibraltar's very being. Research points at bilingualism giving both an educational advantage to children and delaying the onset of dementia in the elderly by at least five years. We will not let bilingualism die. Not only are we investing in the language school, but I am also commencing a dialogue with the Department and headteachers to study ways of actively encouraging bilingualism day to day through our schools.

Mr Speaker, changes are afoot in the way that we teach our children, and there are many more changes to come. This will include a review of holiday periods and term lengths, and of the provision of subjects such as religious education, languages and music.

One thing that will certainly not change is the commitment to charity work. Throughout the academic year schools have served the community, of which they are an integral part, tremendously. Numerous charities have been supported, thousands of pounds raised, countless hours invested in order to support those in need. Worthy of mention is the Holding Hands initiative held at Bayside, Standing Strong against Domestic Violence, and indeed the Mental Health Awareness Week organised by Westside.

We also continue to work in partnership with the Kusuma Trust and we are extremely grateful for their ongoing support every year in events such as the British Science Museum Outreach Programme and Maths Week. The ever popular university talks and interview techniques session or indeed the Excellent Students for Top Universities continue to be fully funded by the Trust. Additionally, once again this year their Firetech Coding initiative has been immensely valuable in showing young children how to code.

Mr Speaker, it has been an absolute privilege to have worked for the past eight months in Education. I have loved every minute. I have met, and met again, so many people, teachers, support staff, admin staff, and of course the students themselves. In my visits to every school and college I have learnt so much, and realised so many things. We have a tremendous wealth of talent and absolute dedication to education and to our young people. I have seen that our education system is working well but that there is also huge untapped potential. I have every intention of tapping it and making it flow.

The 1974 Education and Training Act is absolutely out of date. Together with education professionals I am working on a thorough review of the Act, which I will be bringing to the House before the year is out. I will be reactivating the Advisory Council on Religious Education and reviewing its composition and function in keeping with Gibraltar's diverse society.

Mr Speaker, in the context of widening the ambit of Education, I would like to highlight and thank the board and sponsors of the Young Enterprise initiative, and of course those participating students and the teachers. Year in, year out, our young people excel in the work that they produce and gain skills outside the classroom which will serve them well in later life.

Because education spills over into Culture and the services offered by the Youth Service and youth associations, and by dance, music and performing arts academies and groups, I work very closely with my colleague the Minister for Culture and Youth, Steven Linares, in building bridges between us all.

Mr Speaker, as the Chief Minister announced in his speech on opening this debate, the recommendations of the working party on co-education have been accepted by Government. The working party believes that education should be much wider than the purely academic and the educational environment should reflect reality as it is – that is to say males and females going about their lives, socially and at work, side by side. It should nurture in children, from the very onset and throughout their schooling, belief in the self-evident fact that, although not the same, men and women are equal. This should also help them develop social skills with ease as they interact with members of the other gender on a daily basis under the supervision of their teachers.

The deliberations, discussions and research lead to the conclusion that a smooth transition from single-gender to co-educational structures should see both social and educational benefits from a school environment that is more attuned to society than the mono-gender model, which, for a range of historical and other reasons, reflects past and not contemporary societies and their values. The interpretation of education goes clearly beyond schools as mere examination factories obsessed with examination results. Education is an open-ended process which works largely through conversation, example and relationships. It must be dialogical rather than just curricular.

Schools should endeavour to aim at forming and educating the whole person in the belief that all persons should have an equal chance to share in the life of the community and the wider world. Education should lead children to seek and uphold the truth, to be critical and to be able to discriminate positively, to be respectful of others and of the environment; it should encourage interaction with others to arrive at informed, committed action. It is an ongoing cognitive, emotional and social process; a process of living in which the end is not the important factor, but the process itself.

The working party therefore firmly believes that a co-education setting is the best way of achieving this vision of education. Government will therefore fully take on board these recommendations. The changes envisaged for the better are substantial as we will be taking this once-in-a-lifetime opportunity to reform education further.

Once again the Chief Minister referred to some of these. In our proposals, all first schools take on children from pre-school to year 2, substantially increasing nursery provision and therefore operating the same system of catchment areas for nurseries as we do for schools, thereby eliminating the need to allocate places after assessing the individual needs of respective families. High attainment in first school should correlate with attendance at Government nursery. Furthermore, an additional and important advantage is that children move to middle school at the end of Key Stage 1; the formal assessment opportunities and quality assurance mechanisms are therefore improved as a direct result of this.

Middle schools remain of similar size, taking children from year 3 to year 6, setting up a smooth transfer at the exit phase of Key Stage 2, with all the pertinent formal assessments completed across all our middle schools in line with what happens in England and Wales. This arrangement once again makes it easier to quality assure and track the journey of children. We place a very strong emphasis on added value; schools must ensure that all children develop their true potential. We therefore need the assessment structures in place to ensure that we can confidently measure this. This arrangement is expected to create a more standard entry into secondary education.

Students then would commence their secondary schooling at Bayside and Westside at the start of Key Stage 3, at the beginning of year 7, with both schools operating on a co-educational basis. With GCSE getting harder, it is important to have the specialisation from year 7. A totally new Bayside and Westside School will be built and would accommodate the changes.

Post-16 provision will operate completely under a consortium arrangement jointly administered by the two respective headteachers of Bayside and Westside and the Principal of the Gibraltar College, with the College additionally providing a completely revamped vocational framework. The Gibraltar College will continue to deliver on adult education and professional courses, with the recently established language school for children expanded to include Mandarin and computer programming, and the teaching of English as a foreign language enhanced.

Vocational pathways will also be introduced at an earlier stage in the new Bayside and Westside at the exit phase of Key Stage 3 to include structured outreach work-experience programmes. This fills a big gap in our current education setup.

Mr Speaker, I wish to thank all the members of the working group on co-education for the professional way in which they have tackled their task. I recall that the Opposition chided the Government with revealing the names of the members of the group, implying that this did not in fact exist, despite my predecessor having clearly stated that the group had indeed been formed. I am proud to name them all again by way of thanking them for the important task that they have performed. They are: Michelle Barabich, Headteacher of Westside; Michael Tavares, Headteacher of Bayside; Kenneth Saez, Headteacher of St Bernard's Middle; Dymrna Holmes, the SEO of the Department of Education; Stuart Borastero, the President of the Gibraltar Teachers' Association; Angelique Linares, a parent; Steven Reyes, a parent; and of course Darren Grech, accomplished swimmer and acting Director of Education, who pulled it all together and makes such a tremendous contribution to education day in and day out. Many professionals, groups and members of the public made valuable representations to the working group and I thank them all for this. Every single representation was given full consideration.

Mr Speaker, as the Chief Minister also proudly announced, Government will also build a new St Martin's School, Notre Dame School, St Anne's School, Governor's Meadow School, Bishop Fitzgerald School, Bayside and Westside. (*Banging on desks*) Already a strong and dedicated team is hard at work in preparing these ambitious but perfectly achievable projects, which will be carried out avoiding disruption to the students. The details concerning all of these will shortly be announced. As you can imagine, it will involve careful planning to execute, and stakeholders, especially the teaching profession, will be fully and intimately involved in planning and rolling out these changes. Indeed, Mr Speaker, I intend to create a number of focused working groups to guide us through the details of the changes and the proposals announced today, in order to ensure that our children and our children's children reap the benefits of these exciting times.

One important aim is the increased involvement of teachers outside the immediate remit of their schools and classrooms. There cannot be any distance between the Department and the schools. Teachers, especially heads and deputies, have a tremendous part to play in progressing education and they must play a larger part in this at departmental level.

Mr Speaker, the perception of education is changing. It is much more than exams and much more than schools. It is how society prepares its children and youth to take their place in our beloved community. Today we have seen that huge steps are being taken to take this forward.

Over the past eight months or so I have visited all the schools, most on more than one occasion. Most recently, over the past few weeks I have been to the comprehensive schools to see the students sitting some of their major examinations with great discipline and commitment. In a couple of months' time we will all be taking pride in the exam results of our students. I will be the first there to congratulate them, but at the same time I will be thinking of all those young people of the same age who did not do so well or did not take these exams because their abilities or their interests are in other areas for which we do not currently provide in the right way or at the right time. 'Education', said William Yeats, 'is not the filling of a pail, but the

lighting of a fire.' We will light that fire in each and every one of our young people, regardless of their interests, weaknesses or strengths.

To end, Mr Speaker, I would like to thank all of the staff of the Departments, schools and colleges, the University, authorities, agencies, companies and contractors – too many to mention by name – who work in any and all of my areas of responsibility, for their contribution to making Gibraltar work. I want to thank all students, from the very youngest to those in higher education, and especially their parents for the interest they show in our schools. I want to thank the volunteers, from those who work on projects to those who serve on committees or boards without payment and without any expectation of recognition or reward. I want to thank the associations and societies with an interest in my areas of responsibility for meeting with me and pushing their subjects responsibly and with commitment. I want to thank the three Unions with which I work closely: the Gibraltar Teachers' Association, Unite and the GGCA. I would like to thank all those with the courtesy to invite me to functions, performances and events, and to apologise for those which I cannot attend, usually due to work commitments. I want to thank my CEOs, directors and other senior staff for putting up with my passion and with my wish to relentlessly progress our agendas and our manifesto. I would like to thank you, Mr Speaker, and the staff of our Parliament, and of course my small but dedicated and loyal personal staff for their support, professionalism and friendship. And I would like to thank my family for understanding that I sometimes cannot be with them when I would really want to.

Finally, Mr Speaker, I would like to thank the people who make my job worth doing: the people of Gibraltar. I was put here by them, I work for them, I do it for them. They make it worthwhile. (*Banging on desks*)

Chief Minister (Hon F R Picardo): Hear, hear.

Mr Speaker: The Hon. Paul Balban.

Hon. Chief Minister: Mr Speaker, I wonder if that is a convenient moment to give you and the Clerk a –

Mr Speaker: No, we are all right; I would rather carry on.

Hon. Chief Minister: Yes, and everybody else can come –

Mr Speaker: We are nearly at lunchtime.

Hon. Chief Minister: Yes, well, everybody else can come in and out, Mr Speaker, but I am conscious of your –

Mr Speaker: There is no point in doing so now.

Hon. Chief Minister: In that case ...

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, it is an honour to rise today as Minister for Infrastructure and Planning to give my sixth Budget address since this Government was elected into office in 2011.

I will start with my ministerial responsibilities for Technical Services. Technical Services is truly an inter-ministerial Department that works throughout most other Ministries and Departments and whose responsibilities lie in providing technical advice within the disciplines of engineering, drafting, surveying, planning, construction, management and infrastructural maintenance and development. It is a vibrant and challenging Department where no two days are alike.

Technical Services has now seen the development of a totally new discipline within it, that of traffic planning. Technical Services has always had responsibility for roads and highway maintenance but traffic and transport planning management, which is a speciality of engineering, is not a technical field that has existed within the Civil Service structure in the past. As a result, this year will see the introduction of a new post, that of Transport Planner. The new post holder will be responsible for all matters relating to the recently launched Sustainable Traffic, Transport and Parking Plan – or STTPP, which is how I will refer to the plan from here on. Therefore, Mr Speaker, during the past financial year the Department has continued to provide technical support to Government Ministries and civil servant departments on a wide range of construction-related matters as well as meeting its defined responsibilities for maintaining public infrastructure, namely roads and highways and the sewer network.

Mr Speaker, with respect to cliff stabilisation and rock fall protection projects, during financial year 2016-17 the Department was involved in the construction of a new high-capacity rock catch fence on the Eastside slopes just to the south of Both Worlds. This represented phase 1 of a larger project aimed at providing additional protective measures to reduce the risk of rock falls in the area. During the current financial year, the Department will extend the work carried out under phase 1 and provide an additional 60 metres of high-capacity catch fencing in the same area. Additionally, the Department will continue to monitor and develop cliff stabilisation schemes in line with Government's ongoing cliff stabilisation and rock fall protection programme.

Mr Speaker, with regard to highway maintenance, the works programme has once again been successful over the past year with ongoing repairs to roads, footpaths and retaining walls. In addition to the above, the Department continues to successfully manage road closures and diversions on the public highway, both for its own in-house works and for all other utility companies and contractors. All road closures are assessed and carried out in a manner that allows essential works to be undertaken whilst allowing vehicles and pedestrians to circulate in a safe manner with the minimum of disruption. The increased construction activity generated by new projects over the past few years makes this task increasingly difficult. In order to reduce the impact as much as possible, road closures are avoided during peak times wherever possible, and after hours and weekend work is a condition that is normally imposed on contractors in order to minimise the inconvenience to the public.

Mr Speaker, this year will see the continuation of the road resurfacing programme. Last year, major resurfacing works were undertaken at Cumberland Road and at the Sundial Roundabout, and recently Governor's Street was also resurfaced following the completion of the STTPP project for that area. During the current financial year, funding is being sought for resurfacing works at both Rosia Road in the area of New Harbours and along St Bernard's Road.

Mr Speaker, I am pleased to state that the second phase of the project to fill the joints in the paving on Main Street was completed last year. The works entailed the lifting up and re-laying of the stone blocks and the filling and stabilising of all joints using a special polymer. In line with our manifesto commitment, we are pleased to announce that phase 3 of this project will continue this year and will see the filling of the joints extend southwards along Main Street and its side streets.

Mr Speaker, during the past year Technical Services Department was also involved in the reconstruction of two retaining walls. The first works carried out were along Lower Castle Road at the entrance to Moorish Castle Estate. The existing wall had developed a significant bulge that was of growing concern to the Department's engineers as this could lead to internal instability and ultimately collapse. A section of wall was therefore demolished and reconstructed using the same materials. The second retaining wall reconstructed was at the site of the City under Siege exhibition within the Upper Rock. Following heavy rains in late November last year, a section of retaining wall collapsed and led to concerns of further instability that could affect the entire historical site. Technical Services developed a new design, and works were carried out as a matter of urgency. In both circumstances the walls were found to have significant heritage value

1590 so works were carried out in close consultation with the Ministry for Heritage, once again demonstrating the importance of interdepartmental co-operation between Technical Services and other Government Departments.

Moving now on to arguably one of the most important parts of our essential infrastructure, our sewerage system, during the past year the Sewers Section of the Department has been
 1595 carrying out significant works to maintain the public sewerage network as part of Government's commitment in this area. A new storm water culvert, one metre in diameter, that doubles up as a combined sewer overflow, was laid at Europort Avenue from its junction with Queensway to the area of Charles Bruzon House. It was laid during the summer school break in order not to disrupt normal term-time school operations. This was successfully completed together with the
 1600 construction of two deep access manholes to assist in future inspections and maintenance programmes. The project also saw the introduction of additional road gullies in the area to reduce the risk of flooding along Queensway in periods of heavy rain.

Apart from the works at Europort Avenue, the Department has been working on a scheme for the relining of the existing foul sewer network along Devil's Tower Road. The increase in
 1605 developments along Devil's Tower Road has required the existing network to be upgraded to cope with additional flows in the area. It is expected that these works will be completed during the course of the current financial year.

The condition and upkeep of Gibraltar's main sewer and storm water drainage networks continues to be a matter of great concern for the Government arising from a lack of sufficient
 1610 investment and neglect over many years. This Government is still playing catch-up as a result of these years of neglect. The Department, as part of its maintenance programme, will therefore this year be continuing its major desilting and cleansing works to the main sewer along Rosia Road and southwards towards Camp Bay. Other works will include improvements to the storm water systems at both Prince Edward's Road and the southern end of Main Street where
 1615 flooding has become an annual problem during periods of very heavy rainfall.

Mr Speaker, the replacement and enhancement of pelican crossing lights and equipment is a function of Technical Services' Department Highways Section and has continued in a number of locations working jointly with the Gibraltar Electricity Authority. The provision of pedestrian crossings and their locations is now planned, taking into account the recommendations of the
 1620 STTPP and the Traffic Commission. The programme to improve walking routes continued during last year with the installation of new pedestrian crossings at a number of key locations. These included a new crossing along Harbour Views Road, providing improved access to St Bernard's Hospital and a new light-controlled crossing at Europa Road to provide a safe crossing point for visitors to the recently inaugurated dementia unit, Ocean Views. The lack of a crossing in this
 1625 particular location was something of great concern to GADA, the Gibraltar Alzheimer's and Dementia Association, as the new facility would require a safe pedestrian access. This pedestrian crossing has probably been the most technically challenging crossing to deliver, given the existing geometry of the road. A series of traffic calming measures were also required to help improve both pedestrian and vehicular safety in this area, known for its many sharp corners, and
 1630 especially taking into account the unique needs of the facility and its users.

Mr Speaker, following the successful introduction of the initial pilot countdown timer at the Haven crossing on Line Wall Road, further countdown timers were recently installed at Waterport Road, at Queensway and at Europa Road adjacent to Ocean Views. These countdown
 1635 timers inform pedestrians of the time they have left to cross and drivers as to when it is safe to proceed, therefore improving safety at these crossings. A firm objective of the STTPP is to provide safe pedestrian facilities to help encourage walking as the best alternative to motorised travel and transport. The Government will continue to provide further countdown timers at other crossings, and in future all new traffic light sets purchased for new locations or to replace existing sets will have countdown timers installed as a standard feature.

1640 During the coming year, the Department will continue to provide additional pedestrian crossings at a number of already identified locations, including Europa Road by Shorthorn Estate

and Rosia Road in the area of Bayview Terraces, as per the recommendations of the STTPP. The provision of these crossings is seen as important in the context of improving walking routes, as already mentioned, which is an important and fundamental element of the Traffic Plan.

1645 Mr Speaker, I recently announced the publication of the Government's Sustainable Traffic, Transport and Parking Plan. This project was a key manifesto commitment for the GSLP/Liberal Government. A study of this magnitude has never been conducted locally with regard to traffic and transport, together with its effects on our environment as a whole, in a way that is both scientific and solid in its grounding. The Plan has seen a multi-departmental team approach
1650 involving the Ministries of Infrastructure and Planning (Traffic and Transport) and the Environment.

The research and preparatory background for this extensive document saw many months of painstaking groundwork and research, something which I am eternally grateful to those within the Traffic team, the Technical Services Department and also the Civil Service for, who embarked
1655 on weeks of data collection, questionnaires and surveys to be able to provide the solid groundwork required for such a plan. The work has encompassed very wide consultation. Opinions and feedback were sought from a wide sector of the community, including members of the public, NGOs, commercial entities and associations, tenants' associations, other interest groups, schoolchildren, essential services, and of course the road user, often each with very
1660 competing interests. Our traffic consultants, Mott MacDonald, who are worldwide professionals in this field, have provided the technical expertise to complement the wealth of local and professional knowledge that already existed within the Technical Services Department and have been instrumental.

The Plan has considered everything from the needs of children and vulnerable groups within
1665 our society to the needs of businesses and visitors alike. No plan will ever be able to satisfy every sector's interests and there will be a need to strike a balance between these, once again, conflicting needs.

Key improvements in the use of public transport will no doubt provide a more reliable service with improved journey times and higher levels of punctuality, which I am certain will be
1670 welcomed by its users. No stone has been left unturned in order to formulate a plan that we will be proudly able to call all of ours, Gibraltar's Plan.

Using the most innovative and latest techniques we have developed the tools by means of digital traffic modelling to help us predict the reaction and behaviour of traffic, following a proposal for change. In this way, we may now start to analyse what effect a proposed change
1675 will be likely to have with respect to traffic flow before we even carry it out.

Mr Speaker, this Plan is clearly a live document, one that will evolve and grow with us. As Gibraltar grows and our needs change, so will it too. It is our intention that the Plan will be a fluid plan, one that is malleable to our needs. I am personally satisfied that this has been in fact achieved and that all the work done will see a truly valuable result that we can all be proud of.
1680 Not all the concepts within the Plan will be achievable – some will require further work, others will be economically unviable and others may simply never come to be, at least not at this moment in time – but the Plan will hopefully open our minds to the vast potential that exists for improvement, and for the need to change our mindset in the future.

But, Mr Speaker, change is change, and human nature does not adapt easily to change at first. With time, I trust that we as a community will all be able to appreciate the bigger picture
1685 and will begin to understand that things have to change if we are to make inroads into our health, our environment and our wellbeing, making Gibraltar a more attractive place to live, work, visit and do business in the future. The Plan is hence simply that: a plan. There are general principals, aims and targets set, and ideas for potential pilot schemes for us to explore, some relatively inexpensive to carry out, others more ambitious. This is by no means a finite list and
1690 we will be developing further ideas and plans in the future as we evolve as a people. With time, it will hopefully change the way that we live so that we can improve sustainability.

Mr Speaker, Gibraltar has an extremely high vehicle occupancy rate per capita, yet our largest

constraint is our size. Reducing our reliance on private transport, our beloved cars and motorbikes, will be one of the hardest things to achieve; but through encouragement, education and perseverance perhaps we may be able to achieve a change in the way that we move, sharing vehicles, either by way of our buses, public services or through other more innovative ideas such as car-sharing or car clubs, for example. We cannot forget the importance of walking and cycling with regard to our traffic and our environment, but also the undeniable and positive effects that it has on our general health, our fitness and our physique.

Changing our mindset – especially one that spans so many generations, when our cars were an extension of our very own living room, our only means of independence and freedom, our rite of passage at a time when many generations shared one single flat – will be one of the most challenging hurdles to overcome. This is something that will task our generation and those in the future. As science develops so too will our means of local travel. Already we are seeing how hybrid and electric vehicles are slowly becoming more prominent in our society and we need to further encourage the use of these. I greatly appreciate the support that we have received so far from many sectors of the community and sincerely hope that we will continue to have the same support as we now embark on the next stage of the Plan, its implementation in earnest.

Mr Speaker, in the short time that the Traffic Plan has been published, a number of initiatives have already been rolled out: Redibike, our bicycle sharing scheme, the launch of the pilot residential parking scheme for zone 1, the completed bus tracker, the speed limit review, Governor's Street pedestrian improvements, and speed cameras. Other initiatives had already been implemented: the pilot roundabout at Glacis Road, pay and display schemes in numerous locations, countdown pedestrian timers, new pedestrian improvements at the Trafalgar interchange and, even before that, the introduction of environmentally friendly staff car vehicle fleets. I had made it clear on numerous occasions in the past that regardless of the status of the final plan – that is, regardless of whether the Plan had been published or not – its key objectives were already being rolled out.

Mr Speaker, as part of our review of car parking in Gibraltar, a number of new pay and display areas have already been implemented. These include those at Line Wall Road, Watergardens and Portland House. The philosophy behind the introduction of the pay and display areas is to provide a turnaround of parking facilities at key locations for the benefit of all. It is through parking and its control that we may be able to eventually reduce car usage within what are described as key environmental zones within the Plan. This year, further pay and display areas are earmarked for Glacis Road, Waterport Road and Grand Parade.

Technical Services Department has been instrumental in developing a pilot residential parking scheme for the area of Alameda Estate and Trafalgar House. Mr Speaker, you may ask: why pilot? Well, simply because we are entering uncharted territory and we will need the flexibility to be able to adapt the concept of residential parking to make it a scheme that works as well as possible for as many as possible. This pilot residential parking scheme has taken on board concerns raised by tenants of the area and has aimed to de-conflict the shortage of parking for the various types of user, be they residents, commuters or tourists. The scheme will see the introduction of exclusive residential parking areas, pay and display shorter-term parking zones and free parking. It is hoped that this will go some way in improving the situation in the area. The scheme was officially announced on 26th May and will fully come into effect on 1st July, merely days away now. Residents are not forced to be part of given residential schemes, and in fact those who are in Government arrears, as per Government policy, will not be able to be part of the scheme in any case.

There will be small administrative charges associated with the scheme and these are set as a first step in trying to tackle the issue of car ownership, an underlying matter of concern within the Traffic Plan – hardly a prohibitive sum, but it is a fair start in starting to at least recognise, if not start to address, the local phenomenon of the second car. Providing free residential parking would simply not dis-incentivise a reduction in car ownership and migration or increased dependence on the public transport network. With an excellent free bus service there is no

better excuse, even if it is only for the environment, than to get rid of the second car and keep the one environmentally friendlier car for those trips across the border or the local supermarket shop. Mr Speaker, what is evidently clear within the Plan, and even clearer to those who drive around endlessly looking for somewhere to park their car, is that we have a problem and we need to recognise that. With one of the highest rates of car ownership in the world, we simply cannot sustain the numbers of cars we own as a population. As a result of zone 1, we have discovered that there are a considerable number of couples, mainly pensioners, that own at least two cars – in some cases where only one of the couple drives! The two-car principle, that of the shabby rock runner and the better, more up-market car for those trips across the border, is clearly still alive and well – but this is the whole point, the real crux of the matter: it is the old rock runner that generally destroys our environment, the vehicle that emits those nasty fumes, carbon monoxide, nitrogen dioxide and particulate matter, the vehicle that competes for that extra parking space, while the main car is snugly parked away safely. The old banger is the vehicle that has the greatest likelihood of being parked in that illegal spot where the chance of that nick, scratch or dent is the greatest, but that is its entire purpose: its state and condition does not matter to us and in the end it is most likely the vehicle that will remain derelict for months or years before it is spotted taking up that valuable parking space. This is where the change in mentality needs to come, at least for the good of our environment, and this needs to start in earnest through education. It is mainly through education, especially of those more receptive to the warnings of today's experts reference our suffering environment – that is, our younger generation, our children and grandchildren.

Mr Speaker, in conjunction with residential zone 1, the Department is working on plans for further residential parking schemes in both the Town area and the South District and it is expected that these will be rolled out during the latter part of this year.

Mr Speaker, furthermore, as part of the Traffic Plan, a project to construct a new roundabout at Devil's Tower Road is already well advanced within the planning stages, having already received the green light from the DPC. This roundabout, once constructed, will increase driver options when leaving Cemetery Road, allowing vehicles to turn left and travel south to Europa Road should they choose. It would also allow quicker access into that same commercial area and be particularly useful to access the very busy church of St Theresa's and Devil's Tower Road car park.

Mr Speaker, as part of the STTPP the Government has also recently introduced the new Redibike bicycle-sharing scheme. It is hoped that Redibike will encourage the public to think of cycling as a healthier and environmentally friendlier alternative to other modes of transport. A hundred and forty six persons have registered on the scheme so far. This is the first phase of a wider scheme, a scheme that has been privately sponsored by Gib Oil Ltd and consists of 105 bicycles and 120 docking points in 13 different locations throughout Gibraltar. I would like to extend my gratitude to our sponsors Gib Oil Ltd – especially Mr Harry Murphy, who is busy collecting medals for us in Gotland – who have gratefully supported us in this very important Traffic Plan initiative. All Redibikes are fitted with a carrier, a locking device and a bell, and will be available to rent at all times of the day and night. These bikes are sturdy and virtually vandal-proof with drive shafts fitted instead of the traditional bicycle chain mechanism for propulsion.

That was all that I was going to say on this matter – until my better judgement told me otherwise following the latest activity on social media regarding the failed Gibi Bikes scheme and following on from the hon. Member opposite's comments on *Viewpoint* recently. This is not about red or blue, as perhaps the blues would like you to believe. This is not about Government deliberately and intentionally bringing about the demise of the Gibi Bikes Scheme purposefully, alluding that this was done to discredit the GSD initiative without consideration whatsoever to the cost of the scheme to the taxpayers, as the blues would like you to believe. The concept of a bicycle-sharing scheme is in fact a very good one, and it is a scheme accepted and promoted throughout many cities worldwide. That was not and is not the issue. If the GSD wants some credit, well done to them, Mr Speaker, very well done. But the concept was not their concept,

they did not invent it, they adopted it, which is great – it is great for the environment and it ticks all the boxes of any traffic plan worth its salt. This is why our Traffic Plan also contains a bicycle-sharing

scheme. Had Gibi Bikes succeeded then it would have been one thing less that we would have had to do.

I will not make further comment about past traffic plans at this point, unless I am pushed, Mr Speaker. Gibi Bikes was an abject GSD failure. It was badly researched, badly executed and badly procured. Once again, it was not about red or blue. Although the demise of the scheme came before my time as Minister for Transport, it was not because they were coloured blue, I can assure you. It was for the following reasons, Mr Speaker.

The Gibi Bikes project was introduced and operated by a company which had no previous experience of running such a scheme – Gibraltar was their first project, their test project. Almost all of the Gibi Bikes equipment was substandard. The anti-theft devices, the electronic tags and the locks were all of poor quality, hence the system failed regularly. Maintenance was poor and there was a lack of spare parts from the suppliers in the UK. The bicycles themselves suffered badly from corrosion. The scheme started with 130 bicycles and 13 docking stations. Only six months later, only 47 bicycles remained and eight docking stations were available for use. In fact, Mr Speaker, many bikes were permanently locked in their stations, failing to release due to software malfunctions, and other bikes simply went walkies – stolen, Mr Speaker. The scheme which cost the taxpayer over £300,000 back in 2011, operated for only six months before it closed and its supply company in the UK folded. That is the story as it is, Mr Speaker –

Chief Minister (Hon. F R Picardo): Disgraceful! Nothing to laugh about.

Hon. P J Balban: The only thing is that it is far better, politically, to blame the Government, blame us, for the failure of Gibi Bikes.

Furthermore, bicycles had to be collected at night, stored and brought out again in the morning, which was hugely labour intensive. Why would that need to be the case, Mr Speaker? Redibikes stay out all night, having been implemented and hence tested in many cities, not least in the north west of England in not such a sleepy town, Liverpool, a major city with safer, quieter areas and the noisier and let us say more boisterous areas, and it rains there too. They also have the reds and the blues there, Mr Speaker, but their reds and blues are more to do with sport. But I am sure that many a fan would have had a good ride on a bike after a match late at night, and there they are: bicycles trialled and tested in a real-life laboratory, not tested in Gibraltar by a company trying their luck with bicycle-sharing schemes. Redibikes took their time, yes, Mr Speaker, just like the Traffic Plan took its time, and that is the way it was going to be. In this way things have been done well, or at least as well as humanly possible.

Mr Speaker, you may ask what became of those blue bikes. Well, thanks to the staff and mechanics down at Gibraltar Bus Company Ltd, a total of 52 bikes have been put together out of 130 bikes that once were. An announcement will be made shortly – yes, ‘shortly’, Mr Speaker, one of the pet hate words of the hon. Member across the way – when these bikes will be presented to a charity, all for a good cause; so the story does have a happy ending of sorts.

Mr Speaker, also as part of our commitment to encouraging cycling, a major review of our existing road network will also be carried out this year to assess the feasibility of introducing dedicated bicycle lanes, where possible and indeed if possible, linking the Frontier to the south of Gibraltar. This will be by no means a simple feat, as there are many difficulties associated with Gibraltar’s size, especially when trying to marry and share the very limited space available between vehicles, cyclists and pedestrians. Nevertheless, the Government is committed to exploring this matter in a holistic way in order to try to introduce improvements, where possible, in order to encourage this healthier alternative to motorised forms of transport common today.

Mr Speaker, another major Traffic Plan initiative launched recently has been the introduction of speed cameras at a number of known speeding hotspots throughout Gibraltar. This builds on

the recent initiative of introducing speed indicator signs and is primarily aimed at making our roads safer by way of speed management. The speed cameras are fixed devices set up, as a pilot first phase, at Devil's Tower Road, Europa Advance Road and Rosia Road in an effort to reduce speeding in those particularly notorious hotspots. These locations were chosen on the advice and recommendations of the RGP, who are the experts on the ground. The cameras will be a valuable deterrent and will complement roving speed cameras already used by the Police throughout Gibraltar. The static speed cameras have already seen a visible reduction in speed on our roads. This will hence statistically help reduce risk to both road users and pedestrians alike from the consequences of speed-related accidents. Additionally, a reduction in speed has positive effects on the environment, helping to reduce noise pollution and emissions. Since the scheme went live, over 1,920 persons have been caught speeding. The initiative will continue to be monitored but so far the intention is to further improve the current set-up by introducing rear-facing video capture to the existing cameras and introducing additional speed cameras in other major roads throughout Gibraltar.

I would like to take this opportunity to mention the RGP, the legal team that drafted all the relevant legislation, the staff at the IT and Logistics Department, Technical Services, our back office at Gibraltar Car Parks Ltd and all those who have assisted us with this STTPP project.

Mr Speaker, Technical Services Department, in conjunction with the RGP, will continue with its full review of the present speed limits on all of Gibraltar's roads, and in the coming year improvements will be made to signage and road markings on a number of our arterial roads, including Europa Road, Queensway and Line Wall Road. Furthermore, we have, upon the advice of the RGP, also recently amended legislation to make the Road Watch offences punishable by way of fixed penalty notices (FPNs), hence reducing unnecessary and valuable court time and making the process much more efficient.

Mr Speaker, if there has been one thing that I feel has made the biggest difference as part of the Traffic Plan to the enhancement of our public transport offering, it has surely got to be the bus tracker. This is a major STTPP achievement. I am most proud that this project has been carried out in house by the staff of the IT and Logistics Department, a project that has been technically very complex to put together, one that has been developed on a route-by-route basis over time. As a result, it is now possible for bus users to track their bus and therefore manage their personal time accordingly, knowing exactly where the bus is at any given moment in time and at what time they are able to meet it at the bus stop as opposed to having to wait for it to arrive. The STTPP stakeholder surveys highlighted that one of the reasons detracting potential bus users was the perceived uncertainty of the service, leading to a lack of user confidence. The new bus tracker reverses all these potentially negative attributes that could dis-incentivise bus use. Public transport is a vital part of our transition from using our own vehicles and moving to more sustainable modes of travel and transport. The last route to go live was the night bus route. Since the night bus tracker went live, there appears to have been at least a 50% increase in take-up of the service, which is very positive indeed. Government is looking into the possibility of extending its fleet management system in order to provide passenger real-time information to bus users at the bus stops. This will allow those citizens who do not have access to smartphone devices or internet access to be able to track their bus in real time at their bus-stop.

Mr Speaker, one of the most important issues raised by the Traffic Plan regarding pedestrian safety was that of Main Street during the early-morning delivery hours. These hours directly conflicted with pedestrian movement, making this a serious safety concern and one that had also been highlighted by the Commissioner of Police. The Traffic Plan emphasised the problems faced by pedestrians and especially persons with mobility problems while trying to transit through Main Street amid goods vehicles unloading merchandise and doing their daily morning deliveries. This was even more relevant when cruise ships, especially large ones, were in port, resulting in thousands of passengers mixing with the local population and the local and cross-frontier workforce. This provided a very poor image generally, both aesthetically and environmentally, and was most importantly seen as a major safety and security concern for

Government within the busy Main Street. It has been as a result of close networking with the Chamber of Commerce, the GFSB and other commercial entities generally that we have been able to agree on improved delivery times. I wish to express my gratitude to the commercial business community for supporting the Government's proposals and agreeing and accepting the new delivery hours, which although inevitably will mean a change in the way things are done in town, it has generally been accepted that this will in fact be better for the tourist product and for Main Street users generally. In this respect the Ministry for Commerce, led by my colleague Albert Isola, have also been instrumental. Technical Services are now involved in the process of procurement of retractable bollards and will investigate the range of products available in the market for these purposes in the first instance. Once a suitable product is identified, Technical Services will then be involved with the infrastructural preparations for the set-up of a permanent retractable bollard system, which is planned for the near future and is expected to assist the policing of delivery hours in town.

Mr Speaker, the full initiative, as already described and set out within the STTPP, included the creation of new loading hubs and the reduction in the hours of delivery within our highly populated Main Street. I am pleased to announce that this has now been done. New Main Street access times have now been set between 8 a.m. and 9.15 a.m. with final exit being no later than 9.30 a.m. Furthermore, an additional delivery window has been set between 6 p.m. and 8 p.m., the last exit from the pedestrian zone being 8.15 p.m. A number of new delivery areas have been created to allow deliveries to take place outside of these hours in dedicated hubs within John Mackintosh Square, Cooperage Lane and Convent Place. These will be controlled by means of permits issued to commercial entities by the Driver and Vehicle Licensing Department. Deliveries in these new areas will be exclusively on a permit holder basis and the hours will be between 7 a.m. and 7 p.m. Monday to Friday, and Saturdays between 7 a.m. and 2 p.m. These new delivery bays are distinct to the loading bays that already existed in town.

Mr Speaker, one of the major issues raised by the business community was the abuse that existed regarding loading bays generally and the difficulty that businesses were facing when trying to access these bays. As part of the plans within the Traffic Plan, new legislation will prohibit the use of loading bays by the general public during delivery times but will allow their use after hours and on Sundays and Public Holidays, where appropriate, for parking. Nevertheless, the Traffic Plan recognises the need that residents have too, and to this end the Department is looking at the possibility of creating short-stay drop-off areas for residents and visitors over and above the creation of further pay and display zones which would allow visitors to park within the distinct residential zones.

Mr Speaker, once again I must thank the RGP, especially the Commissioner of Police, who has been advocating these improvements for Main Street and who has shared the same vision for Main Street – that is, for a safe, modern shopping and business hub.

Mr Speaker, the Traffic Plan would be impossible to achieve without meaningful and effective policing. It is to this end that the Ministry for Infrastructure and Planning, whose responsibility is also for traffic and transport, will be working closely with the RGP and with Gibraltar Parking and Management Services Ltd, who manage our newly contracted team of PMOs and our team of transport inspectors, whose role will be to see that the policies within the Plan succeed.

Mr Speaker, before moving away from Technical Services I would also like to take this opportunity to publicly thank the Infrastructure Section of the Technical Services Department for their hard work and commitment during those times in the past year where Gibraltar has suffered from storms and very heavy rainfall. It is thanks to the hard work and dedication of this team, who work on those cold, dark, blustery and rainy nights whilst most of us are sheltered within the warmth of our homes, that the impact of these storms is not greater on both our sewerage and road networks. Thank you.

Finally, Mr Speaker, funding is once again being requested this year for the purchase of equipment to allow the Sewer Infrastructure Section to continue to expand and provide an enhanced service in respect of its inspections of the sewer network. This also applies to the

garage and workshop, where funding for new equipment is also being sought. They will continue to provide a service to maintain the fleet of Government vehicles, including the refuse-collection vehicles.

Mr Speaker, the Technical Services Department is one of those Departments that is rarely in the limelight but works tirelessly behind the scenes to deliver on their defined responsibilities maintaining public infrastructure and to support and provide technical advice to other Government Ministries and Departments in order to deliver on the Government's extensive and comprehensive programmes.

Mr Speaker, turning now to public transport, the new MAN buses continue to provide Gibraltar with a modern bus service. Providing an efficient, comfortable and user-friendly bus service is critical in meeting the objectives as set out within the Traffic Plan. The Traffic Plan highlights the importance of public transport to support people's quality of life and economic well-being. Its primary aim is to encourage greater use of public transport by providing a high-quality, reliable, stable and well-maintained network.

Mr Speaker, the investment in the six new buses for the Upper Town has greatly improved the service to this area. I am pleased to announce that the procured Ford Transits have proved to be powerful enough to deal with steep inclines while at the same time providing an adequately comfortable climate within for its users. This also includes the much needed and much sought after service to Mount Alvernia, where this innovative small bus design and investment has given wheelchair users greater access to the bus. Three out of the six new buses have wheelchair lifts fitted.

Mr Speaker, the introduction of the night bus route itself is also a major positive change to our public service offered during the weekends. This was a Traffic Plan recommendation as set out in the draft 2015 document. Today's present route evolved from two distinct trial routes, namely N8A and N8B, to become the one unified route today, N8. Night bus usage is slowly increasing and this is especially so on specific events, for example Calentita Night, GMF and Summer Nights. There have been almost 1,700 passengers more this year compared to last year.

Mr Speaker, a new branding for the Gibraltar Bus Company, which will involve the launch of a new bus logo both for the buses and new bus stop signage is already in progress. This will improve the visibility of bus stops, especially for those not familiar with the location of the bus stops in their immediate surroundings. The present arrangement of buses stopping at each bus stop creates unnecessary delay and inconvenience to traffic flow. By reintroducing the concept of the request stop it may be possible to improve timetabling and hence efficiency. This will need to go hand in hand with a targeted awareness campaign as bus users have become used to buses stopping at each bus stop by default. Bus stops that become request stops will be clearly labelled to avoid confusion.

Mr Speaker, in order to continue to improve the public transport service, Government has increased the transport inspector complement by two, thereby bringing the total complement to seven officers. These officers are now fully trained to ensure that our public transport meets the expectations of its users and that service providers fully abide and conform to all the legal requirements under the Transport Act. Transport inspectors have the role of enforcing the Transport Act and hence public transport operators and transport undertakings. They strive to ensure adequate taxi service at the Airport terminal at key arrival times. Transport inspectors are also responsible for policing the use of permits to enter pedestrianised zones and are assisting with recent measures regarding the introduction of the new delivery hours in Main Street and Irish Town.

Mr Speaker, the Government continues to work with the Gibraltar Taxi Association in order to jointly identify strategies to continue to better the taxi service throughout Gibraltar. It is only through user feedback that we may be able to truly ascertain whether service actually improves or otherwise, and there is unfortunately still reluctance to bring complaints to the attention of the Transport Commission. In an attempt to improve transparency, new external rear signage was agreed which makes it easier to identify taxi licence numbers. The GTA has increased its

service by way of their fleet of private hire vehicles, which now have two drivers, providing longer service hours. The GTA itself proposed a new shift roster for taxis while on city service, once again providing greater breadth in the service hours. Furthermore, the relocation of the taxi rank at John Mackintosh Square adjacent to the Parliament Building itself to outside the City Hall should result in an improvement to the city service. Nevertheless, it is clear that much work still needs to be done. It is in fact the GTA committee who are often the most self-critical, and many taxi drivers generally agree and support these measures with a view of safeguarding their business by providing an adequate service to the population from taxi ranks and from the Airport alike.

I wish to thank the GTA and its members for their willingness to help improve what is already a very difficult service to provide amidst daily traffic pressures, especially around the Frontier and the Airport. I hope that amid our colourful and noisy meetings we can continue to seek ways to further improve the service to all during this coming year.

Mr Speaker, I now turn my attention to the Driver and Vehicle Licensing Department (DVLD). Procedures for the introduction of the tachograph card in Gibraltar are now ready. The Department has been closely working with the Driver and Vehicle Standards Agency in the UK for the introduction of the tachograph cards that will serve our drivers, operators and enforcement agencies. All the administrative procedures – that is application forms, information letters and databases – are now in place. A memorandum of understanding and a service level agreement drafted jointly by the Driver and Vehicle Licensing Department and Government Law Offices has already been agreed by the DVLA.

Mr Speaker, drivers of transport undertakings wishing to complete the driver Certificate of Professional Competence (CPC) initial qualification and periodic training can obtain the training that is continually being provided by the DVLD. So far, 29 drivers have successfully passed the Bus Certificate of Professional Competence and 36 drivers have successfully passed the Lorry CPC initial qualifications. Government, in an effort to ensure that all directive requirements are fully met, will continue to deliver the 35-hour periodic training for existing drivers during 2017-18. Presently, in total, 183 bus and 97 lorry drivers have successfully attended the CPC periodic training.

Mr Speaker, taking into account the safety requirements of vehicles in Gibraltar that carry dangerous goods is of great importance, and in accordance with the Transport (Carriage of Dangerous Goods by Road) Regulations 2010, the Government has invested in training to ensure that all of the technical staff at the Motor Vehicle Test Centre are now fully trained and qualified to assess vehicles that carry dangerous goods by road. This training has been carried out locally by a qualified instructor from the Driver and Vehicle Standards Agency from the UK. At present, eight vehicles used for the carriage of dangerous goods locally have been issued with the relevant ADR certificates.

Mr Speaker, the introduction by this Government of the Motorcycle Compulsory Basic Training Course (CBT) for riders continues to be a tremendous success. Feedback from parents and the public at large has been extremely positive. A hundred and seventy two individuals, mainly under the age of 17 years of age, have been trained over the past year. I am very confident that this Government's training incentive is constantly contributing in continuously improving road safety and reducing motorcycle accidents, especially in first-time motorbike users. This initiative falls directly in line with the general principles of the Traffic Plan regarding road safety. Since the CBT scheme was established, a total of 1,260 persons have completed the course in order to acquire their learner's licence.

Mr Speaker, due to an unexpected increase in demand of the photo-card driving licence locally, Government has needed to procure an extra 8,000 blank driving licence cards from the UK. To date, the Department has issued a total of 15,500 photo-card driving licences. Furthermore, the Department is in close contact with the DVLA in the UK to ascertain how the format of these licences may be affected as a result of BREXIT, if at all.

Mr Speaker, due to an increase in need for counter services as a result of the CBT, ADR and CPC over and above the usual traditional counter services provided by the Department, the Driver and Vehicle Licensing Department, as a means of improving customer service, has introduced a bespoke business counter that is assisting businesses with the aim of reducing respective waiting times. This counter has been operating daily since last year and the feedback from its users has been very positive. Furthermore, the Department continues to use e-Government information and communication technology as a tool to achieve better customer services. The public can presently actively access a number of online DVLD services and applications via the new e-Government portal, mainly roadworthiness test bookings – the MOT – driving licence and theory test bookings. This is proving to be very popular and is allowing customers to access and pay for such facilities at any time from the comfort of their own homes. Government is also considering other measures and incentives in order to offer customers additional e-Government opportunities, thus allowing the DVLD to cater for the increase in market demands and service requirements.

Mr Speaker, the Traffic Commission continues to meet on a monthly basis. The Traffic Commission is constantly working to assist our citizens in all matters relating to traffic. The Commission is also heavily involved in recommending to Government the improvement of facilities and eco-friendly traffic advice regarding new project applications submitted to the Town Planning Commission. It is via the Traffic Commission that road users are able to interact with the Ministry and Departments so that their concerns and suggestions can be considered. It is also via this forum that other large Government initiatives receive recommendations and approval.

The Transport Commission works hand in hand with all the transport undertakings, the Bus Company and the Gibraltar Taxi Association in order to mutually find strategies to continue to better both commercial and public transport services in Gibraltar.

I would like to extend my gratitude to all the members of both Commissions, many of whom give up of their own personal time on a voluntary basis for these purposes.

Mr Speaker, the DVLD has gone a long way in establishing a linked-up database with other member states in accordance with EU directives. The DVLD is sharing European Register of Road Transport Undertakings, known as ERRU, via the Driver and Vehicle Services Agency. This allows for a better exchange of information between member states so that the competent authorities can better monitor the compliance of road transport undertakings with the legislation in force.

EUCARIS – the European Car and Driving Licence Information System – is another example of information exchange system that DVLD uses to provide the infrastructure and software to other countries in order to share their car and driving licence registration information. This system will ensure the assistance in fighting car theft and registration fraud within Europe.

Mr Speaker, the Cross Border Enforcement Directive has been the latest directive to be transposed into our laws. The practical procedures refer to the pursuit of traffic offences committed by drivers of a car that is registered in a EU member state other than the member state where they were detected. The implementation of this will offer an automated tool for enforcement authorities in the member state where the offence was committed to pursue and fine the drivers of cars registered in another EU member state when they commit traffic offences there.

Mr Speaker, I am fully satisfied that to date all EU directives relating to traffic and transport have been fully implemented.

Finally, Mr Speaker, I now turn my attention to my responsibilities for town planning and building control. The Town Planning and Building Control Department continues to deal with large numbers of applications in the administration and enforcement of the Building Regulations. During 2016, the Department has received 632 planning and building applications, 16 demolition applications, 48 advertisement applications, 32 tree applications and 24 tax relief applications. That is a total of 752 applications for 2016. If we exclude tax relief applications, there have been a total of 728 applications this year compared to the 544 applications received

in 2015 – that is a significant increase of 33%. Some applications were large and complex involving environmental impact assessments and have also required extensive discussions with respective applicants to try to achieve the highest standards of design.

Building Control has also been working on the introduction of what will be known as ‘Part R’ – that is access to and use of buildings under the provisions of the Public Health Act. At present, our building rules do not make adequate provision for this very important building aspect – rules which will undoubtedly in future be provided for with the necessary legal framework to make buildings safe and accessible to all. By introducing these rules, we are bringing our legislation closer to that of the United Kingdom within this very important area. The objective is to enable all people, regardless of disability, age or gender, to gain access to buildings and hence use its facilities. These will therefore benefit the wide spectrum of special requirements that are increasingly prevalent in our society today as our life expectancy, in conjunction with better medical care, improves. The document is in its final stages and should be able to take effect sometime shortly after the introduction of the Disability Act.

Mr Speaker, Government and MoD projects continue to be submitted to the Development and Planning Commission (DPC) for guidance and advice. In 2016 the forum considered a total of 45 planning, building and demolition applications from Government and the MoD projects alone. The DPC provides advice and guidance on such applications, which are then considered by the Government and/or the MoD in finalising their plans.

Mr Speaker, DPC meetings continue to be held in public with a total of 12 meetings held in 2016. In addition, the DPC’s subcommittee meets regularly to determine minor applications. In 2016 there were 40 meetings of the subcommittee. This process greatly helps in speeding up the decision-making process. All agendas and minutes continue to be made available online, together with application forms and planning guidance, ensuring that the planning process remains open and transparent, facilitating ease of access to relevant planning information and documentation.

Mr Speaker, the e-Planning service, which was launched in October 2015, continues to operate successfully. The service allows anyone to search and view the details of any application submitted after the launch of the service, including all the plans and other documents submitted with its respective application online. This makes it much easier for the public to be able to see what is being proposed and members of the public can even submit comments in respect of any application through this e-service. Furthermore Mr Speaker, e-Planning makes it much easier for applicants to submit their applications online. Planning applications can be submitted online in their entirety without the need for a given applicant to have to deliver a hard copy of such application to the Department’s counters at Town Planning and Building Control. During 2016, just over 60% of all planning and building applications were submitted online.

Throughout 2016 the staff at Town Planning have continued to develop the e-Planning system. Numerous improvements and enhancements having been implemented, predominantly on the back end of the system, in order to improve the internal flow of information to make the processing of applications more efficient. The system has also greatly reduced the need for paper copies of documentation, resulting in savings to both applicants and the Department.

The same e-Planning system has been useful to disseminate information about applications to members of the DPC ahead of meetings. A specific feature has been developed for e-Planning that now allows DPC members easy access to the details of every application that is due to be discussed at DPC meetings. This makes it easier for DPC members to familiarise themselves with the details of applications prior to the DPC meeting and therefore allows for better decision-making.

Mr Speaker, in May of this year, I was pleased to announce another improvement to the e-Planning service comprising the addition of a facility to allow the public to carry out map-based searches for applications online. The public can now view what applications have been submitted in any given area by way of a map view and can also access all the details of the applications displayed. This is yet another example of how the planning process is being made

much more accessible to the general public. This is considered of utmost importance as planning decisions may and can have a direct impact on people's immediate surroundings and their environment and therefore have a bearing on their quality of life.

2165 Town Planning staff will continue with a rolling programme of improvements to the e-Planning service to improve both internal systems as well as to further improve the services being offered to the general public. In particular, staff will be working on the introduction of a facility that will enable applicants to also be able to pay application fees online. This will therefore be much more convenient and efficient for applicants, who will no longer have to visit the Department's counter to pay in person or have their payment sent by post.

2170 Mr Speaker, the Department also continues to develop its Geographical Information System (GIS) to enable it to record and analyse data geographically. The Department has recently completed development work that allows it to manage geographical data in a much more user-friendly and efficient manner. This in turn allows for better integration between the Department's geographical data and the e-Planning service.

2175 Mr Speaker, I am pleased to say that we expect to be in a position shortly to bring before Parliament the new Town Planning Act together with its subsidiary legislation. I am also pleased to announce that my staff, working closely with the staff of the Government Law Offices, have reviewed and published amendments to the Town Planning (Environmental Impact Assessment) Regulations in May this year. The enactment of these Regulations ensures that we continue to
2180 be fully compliant with the latest EU Directive on Environmental Impact Assessments.

Mr Speaker, the Town Planning Department continues to encourage property owners to improve the appearance of their buildings through the Tax Relief on Façade Improvements Scheme. During 2016 there were 24 applications under this scheme. A similar tax relief scheme has been introduced to encourage the use of solar water heating and photovoltaic cells as a way
2185 of contributing towards sustainable energy generation; a scheme my staff are encouraging homeowners and developers to make use of, when applicable.

Mr Speaker, following the incorporation of the post of Urban Renewal Officer into the Town Planning Department in 2015, we have been able to focus more attention on this important issue. In this respect, the Department works closely with my colleague the Hon. Dr J Cortes, who
2190 leads on urban renewal. Work is currently focused on identifying specific buildings in need of refurbishment and encouraging owners to undertake improvement works to maximise the use of these properties, thereby bringing new life back into such urban areas.

Mr Speaker, I would like to conclude my contribution to my address today by thanking all my staff, who have worked so hard to see our commitments become a reality. My thanks go not
2195 only to those who ensure the rolling out of our commitments, my senior members of staff, but also to all those who do not go by unnoticed, who perform all the valuable functions within the Civil Service throughout all the various Departments and offices.

I also wish to reinforce my appreciation to all the staff here within Parliament, whose role is to ensure that proceedings run as smoothly and efficiently as they do and who are always there
2200 to help when necessary.

In particular, I would finally also like to thank my personal ministerial staff for all of their help and support during the past year. It has been a very busy year and they have lived up to the expectation, as usual.

Thank you. *(Banging on desks)*

2205

Hon. Chief Minister: Mr Speaker, can I move that the House now recess to 2.45 p.m.

**Procedural –
Length of Ministers' speeches**

Mr Speaker: Before we do, there is something I want to say. We have been listening this morning for three hours and 25 minutes to three speeches from Ministers. I would have liked to have heard a Member of the Opposition have the opportunity to reply before we broke up the morning session. That would have been far more satisfactory and would have kept a sense of balance, which there has not been in the debate this morning.

Hon. Members, and here I am referring to Ministers in particular, have heard me tell them that many of the answers that they give to questions are too long, particularly when replying to supplementaries, and that I have no power in the Rules to limit that – I would like the answers to be shorter. But I do have powers when it comes to debate, and the powers are twofold: first of all, I can interrupt speeches in respect of relevancy, and that is a matter for my discretion; and I can also withdraw the permission that I give all Members to read their speeches. Members will have heard me say in the past that as far as I am concerned it is not a very clever rule, that I do not see a problem really with Members reading their speeches, but it is a rule and I am going to read it out:

A member shall not, except with the permission of the Speaker or Chairman, read his speech, but he may read extracts from written or printed papers in support of his argument, and may refresh his memory by references to notes.

I find, and more so ... with the exception of the Chief Minister, because when the Chief Minister introduces the Appropriation Bill it is a practice that ... and given what has happened in the last year, the Chief Minister has a perfect right to make a speech of two hours and more. But the speeches of Ministers are becoming exponentially longer and they are going into unnecessary detail.

Two years ago, one of the Ministers spoke for over two hours and I saw that he was getting tired. Afterwards, I took him aside and I gave him some advice. He took the advice and last year the speech was about an hour and equally effective, if not more so.

I think Ministers are making the mistake of going into so much detail that no one at the end of the day is going to know what they were really talking about. They have too many Departments under their belts and they feel that they have to deal with each and every single one of them.

I honestly do not think that it is a satisfactory state of affairs when three Ministers spend nearly three and a half hours this morning ... I want Ministers to reflect on what I am telling them. It is controversial – I realise I am doing a Bercow (*Laughter*) – but perhaps I ought to be controversial. And as I say, ultimately, if I want to, I can interrupt Ministers and all other Members, prevent them from reading their speeches when they will only have to have a few notes and the speeches will be longer.

They are getting far, far too long. It is not necessary to go into so much detail. They come here ... One of them remarked this morning that he thought he was going to speak for 25 minutes. Well, he did not: he spoke for 45. And another one said, 'I'm just going to speak for a bit over an hour.' No, he spoke for an hour and a half! When you read a speech, when you have prepared a speech, you may think it is going to take an hour. In the event, you take an hour and 20 minutes or an hour and a half.

I am sorry, but I do have to speak from my heart and tell hon. Members when I find that matters are not proceeding satisfactorily. I am empowered by the Rules to do so and I would ... Maybe it is too late this year for Members now to cut down their speeches, maybe it is too late, but if I am still around next year – if you want me here and I am fit enough and healthy enough and I am still around – I will expect you to come up with much shorter speeches next year.

The House will now ... Yes, Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, you have made a statement which I think I need to deal with.

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Mr Speaker: Yes, by all means. I thought you might have reflected, discussed it with your Ministers and then perhaps this afternoon tell us what is the consensus view. But anyhow, you have the right.

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Hon. Chief Minister: No, Mr Speaker, I am going to tell you what I think because I think it is important that the House should be aware that Ministers are told to come and give information to the House about their briefs.

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We are in a situation where we are damned if we do and we are damned if we do not. We are damned if we do give too much information; we are damned if we do not give the information. This will be a theme of what I will say in my reply during the course of the rounding up in respect of this debate.

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This is a debate where in all the time I have been in this House we have heard lengthy statements from all the Ministers I have shadowed, whether they were Members opposite or Members now on this side of the House, dealing with the issues that they are responsible for in respect of the appropriation that we are concerned with. We had lengthy interventions yesterday from Members opposite: I assume that what you are saying is not just applicable to Members on this side of the House – it must also be applicable to Members opposite.

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The reason that Mr Speaker has had to hear three speeches from Ministers has been because we have had to move one of the Ministers who would have spoken later in the order – Mr Isola – because he is going to travel to do Government business during the course of this debate, although he will be back in time for the end of the debate.

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Mr Speaker, the Government wants to see an interspersing of numbers between the Ministers and the Members opposite but there are 10 of us and there are seven of them, and so therefore on some occasion that alternation of one to the other cannot occur.

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The Government wants to see short and punchy speeches, but in the context of this debate we sometimes have to spend time giving information. I have no desire to speak for three hours but sometimes it is necessary, in order to give all the information, to do so. I would have expected, Mr Speaker, that the community, as you have said, would want to hear the information that I was going to put in the public domain yesterday and the information that Ministers have put in the public domain today. But of course, as on every occasion, what you say is something that we will, of course, consider carefully and we will reflect on in the context of preparing for the debate next year.

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Mr Speaker, coming to Parliament without notes or indeed without a written speech is not, in my view, a recipe for people to speak for a shorter period; it may in fact be a recipe for people to go on and on and to become circular in what they say. So I think you are right to give us permission to read speeches in this debate, you are right to bring to our attention that they need to be as short and as punchy as possible, but I think it is also true that Members opposite will want to hear the things that Ministers deal with in order to be able to get up and reply to the things that are said – although all too often one delivers a speech and gets a reply to a Facebook post that is six years old.

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Mr Speaker: I would like to tell the Chief Minister that between 1972 and 1991, during all the years when I was a Minister, a Member – 16 years a Minister and four Leader of the Opposition ... eight Ministers only, which meant that we probably had an even wider portfolio than Ministers have now, and speeches never went in excess of an hour. I commend that to Hon. Ministers.

Hon. Chief Minister: Well, Mr Speaker, if I can just deal with that point – and it is not often that you and I are replying to each other, but between 1969 and 2006 the most important

2305 portfolio, which was the portfolio of Public Finance, was held by somebody who was appointed
to this House, by His Excellency the Governor. Now we have a lot more responsibilities and that
is why we have more Ministers. But it is also true, Mr Speaker, that in that time the Budget did
not exceed £100 million. In the context of the Budget that we are dealing with today, where we
2310 are dealing with a turnover in the billions and a spending budget of £600 million, there is a lot
more to talk about.

Mr Speaker: The House will now recess until quarter to three this afternoon.

The House recessed at 1.03 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 2.45 p.m. – 6.29 p.m.

Gibraltar, Tuesday, 27th June 2017

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The Gibraltar Parliament

The Parliament met at 2.45 p.m.

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

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

Appropriation Bill 2017 – For Second Reading – Debate continued

Mr Speaker: The Hon. Trevor Hammond.

Hon. T N Hammond: Mr Speaker, I am delighted to have the opportunity to present this, my
5 second Budget speech, to the House. It is my intention to begin with traffic and transport, an
area which regularly attracts great public interest for all sorts of reasons, whether it be our
ability to use our vehicles, our inability to park our vehicles, vehicle ownership, public transport,
cycling, walking – and the list goes on.

Of course this year, in fact only last month, we finally saw the publication of the
10 Government's Sustainable Traffic, Transport and Parking Plan – the STTPP. This epic document
has been almost six years in the making and the story behind it has become a veritable saga. Its
publication was to put into reality the Minister's utopian dream for transport in Gibraltar, the
panacea to all of our woes. Well, what an anti-climax that turned out to be. (*Interjection*)

Yes, the document is voluminous, with appendices running to several volumes, but it is long
15 for the sake of being long because it repeats itself frequently and with each repetition little, if
anything, of value is added. (**A Member:** Hear, hear.) It is as if someone has said, 'Look guys, it's
taken a long time to put this together, make sure it's really long; hopefully that way it'll look
great but no one will actually read it.'

But not only is the document excessively long, when you begin to look at it you realise that it
20 is mostly not even a plan. It lacks conviction, it tentatively proposes reviews and considerations
without placing any pressures of when these proposals might be delivered or even *if* they will be
delivered. There is no indication of how much these proposals might cost or how we might
measure a successful outcome, as the performance indicators are virtually unintelligible. I have
already described this document as more of a manifesto than a plan – it is not even that, it
25 amounts to little more than a survey. It does contain some useful facts and figures, that I cannot
deny, but as a structured plan of how Government's transport policy for the next 10 years or
more will be shaped and delivered it falls woefully short.

Let's look at some of the reasons for saying this, Mr Speaker. The survey suggests we must
encourage cycling and walking. (*Interjections*) Part of that should be the introduction of a local
30 bike-hire scheme. This thankfully has now been introduced after much delay. Let's not forget we
were told this scheme was imminent at the last election. I think this Government has a very
different interpretation of the definition of words like 'imminent' and 'shortly' than does the rest
of the English-speaking world. Nevertheless, we now have a scheme. (*Interjection*) The trouble is
we had a scheme six years ago and all this Government has achieved now is to bring us back to
35 square one, only six years later. It did not take £½ million survey to tell us that this is a good
idea, what it needed was common sense and enough environmental awareness to recognise

that the existing bike scheme should have been allowed to continue and then be replaced in due course. *(Interjections)*

Cycling should be encouraged of course for both personal health and environmental reasons and I am at one with Government in supporting such an objective. The STTPP, however, again falls short in this respect. To get people to switch their mindset you do need to make cycling, above all other considerations, safe; then you have to allow access to where people wish to go. The plan does suggest some cycle lanes in the obvious and easy-to-access areas, such as Rosia Road, but it does not set out how we can achieve a comprehensive network of cycle lanes, *(Interjection)* and therein lies the real challenge in getting the public on their bikes – a challenge which the document falls far short of addressing.

Then of course there is the condition of our roads, which go far in discouraging anyone from adopting any form of two-wheeled transport. The only noticeable improvements in the past 12 months have been a new surface to part of Cumberland Road – not the entirety of it, part of it – and the resurfacing of the Sundial roundabout; and this at the Minister's own admission. The major thoroughfares have been otherwise untouched leaving Winston Churchill Avenue, from the Frontier to the Sundial, in deplorable condition, Glacis Road barely passable to those on bikes, pedalled or motorised, and the condition of most of Queensway and all of Linewall Road very poor indeed. All of this, combined with poor drainage on most of these roads, leads to a scenario thoroughly discouraging for anyone who may wish to take to cycling; even walking becomes almost impossible in wet conditions, where one must hop between the various ponds that form on the roads or risk a soaking from a passing motorist.

Government really must look at this aspect of our road network and do much better in maintaining it, if it really is trying to encourage more people to cycle and walk. Currently there are so many disincentives – be they safety, air quality or the dreadful condition of our roads – that we have very far to go in this direction. I applaud those who have, despite all adversity, taken to cycling and I hope to see the conditions on our roads improving for them.

The STTPP talks about the introduction of residential parking zones. Of course, like the bike-hire scheme, we were seeing these introduced six years ago. This was put on hold, according to the STTPP, in order to study the inherited scheme in detail and carry out a substantive and authoritative plan. Well, it has taken the best part of six years to do that and what do we get? I quote: *(Interjection)*

As part of a new parking strategy it is recommended to consult more widely with local communities and estate representatives to determine the level of desirability for introducing new parking zones elsewhere in Gibraltar as there was much concern regarding the lack of consideration to visitors, carers and commercial entities for deliveries of goods.

Government puts on hold a scheme only then to come back after *six years* with a recommendation for more consultation! And therein lies the rub. The document, this survey, is simply full of recommendations to consult, consider, review, study and investigate, and this is precisely why the document is a disappointing anti-climax. I would have expected all of this work to have been done, to be part of the document, completed with the help of those expensive consultants, and for the document to set out a very clear roadmap on the way forward. It does not do this. It is a starting point, but the trouble is the starting gun was fired six years ago and the Minister is now hopelessly behind.

Mr Speaker, straying briefly from the STTPP, I must address the confusion – not to say utter chaos – that is Government's policy on parking. Firstly, we seem to have witnessed the total eradication of the concept of a park-and-ride scheme for tourists coming in through the Frontier, a concept introduced by the previous GSD administration and apparently supported by this administration in their 2011 manifesto. Of course, such a system would lead to fewer tourist vehicles competing for the scant parking available in town and would, in turn, not only assist residents in parking but would have improved air quality in our urban areas by getting cars off the streets. Other benefits of fewer vehicles coming into town would have been better safety for

cyclists and more pleasant conditions for people to walk in, both stated objectives of this Government, and yet a scheme which could have had so many positives seems no longer to be on the table. I would encourage Government to rethink this.

However, Mr Speaker, not only is the park-and-ride scheme concept not to be pursued, but Government introduce another policy to make matters in our urban areas even worse. They ban tourist vehicles from the Upper Rock! They say it is to benefit the environment there, but it is to the detriment of the environment and air quality within the urban areas in which the vast majority of us live and breathe. So the trees of the Upper Rock and the monkeys get cleaner air, while most of the people of Gibraltar get poorer air as yet more tourist vehicles drive round town looking for, and competing for, those same scant parking opportunities that the rest of us who live here need to go about our daily business or even just access our homes.

So, Mr Speaker, having pursued policy which effectively ... I will not say deliberately, because I hope such a mess has not been created with malice aforethought, but which nevertheless results in more parking pressure in our urban areas, the Government then adopts a zero-tolerance policy on incorrectly parked vehicles. In the space of a month, and with no warning, we see a huge leap in the number of parking tickets to residents and clamps to tourist vehicles. From December 2015 through to August 2016 not a single vehicle was clamped – not one. Come September 2016 and suddenly in that month alone 341 vehicles were clamped. For fixed penalty notices we see a rise from 1,018 in September 2015, a very reasonable number already, to 2,652 in September 2016; October 2015, 1,087 and October 2016, 2,817. These are huge increases.

The policy does not target nuisance parking, as would be right – vehicles stopping in red zones, vehicles causing an obstruction. No, soft targets are chosen and whole streets given tickets for no real purpose other than to perhaps boost Government revenues – a taxation of motorists through the back door and a charge on tourists which must leave them with a very poor impression of Gibraltar. Look at it from their perspective: there is no park-and-ride, so they came to visit the Upper Rock but cannot drive up there; they struggle to find parking anywhere else and when they finally do, and they can go off to spend their money in support of our economy, they come back to find their vehicle clamped because they missed the poorly indicated sign that street cleaning was going to take place in the car park on that day. I do wonder what they tell their friends and relatives when they return home. (*Interjections*)

The upshot of Government's policy on parking has been to simply make everyone's life a misery while making cycling and walking on our streets more challenging and the air we breathe more polluted. Well done. (*Interjections*)

Mr Speaker, returning to the STTPP, I will say that it does contain some attractive concepts, and encouraging electric and microcars caught my eye. I have returned recently from a trip to Rome, where microcars were exceedingly popular and there were virtually no big 4x4s on the roads. I am not sure what incentives are offered in Rome, but perhaps Government ought to look at these as the current incentive packages Government offers have had virtually no impact on the habits of vehicle owners, and the STTPP offers little further guidance apart from setting aside more parking spaces for microcars. So, again, a suggestion with no clear strategy for implementation.

Likewise, one of the grander schemes is the pedestrianisation of Market Place: it looks very good and is certainly not to be dismissed out of hand, and pedestrianisation of other areas such as Main Street has been very successful. But the STTPP makes the suggestion without any firm data on how this will impact traffic flows on Queensway and in particular on the Waterport roundabout, an area that already becomes very congested with lorries and buses competing with the many pedestrians coming down from the cruise terminal. (*Interjections*) Air quality in this area is already poor and a comprehensive study is required to determine the impact of the closure of Market Place. This area is pedestrianised of course for Calentita and it works then, but will it work on weekday rush hours? This is the kind of informative detail which I would have hoped to find and which is sadly lacking in the STTPP.

135 Mr Speaker, I was not going to raise the issue of speed cameras, until the Minister himself raised it in his intervention, and what caught my ear during his intervention was the remarkable admission that only one aspect of vehicles, and not the rear aspect of vehicles, is currently being photographed by the speed cameras. This was something I asked him in Parliament a while ago and which he was very secretive about. Mr Speaker, it is a staggering omission that this should be so when the whole and primary reason for introducing speed cameras in the first place was in order to moderate the speed of moped riders, particularly young men on mopeds, who were the most vulnerable in terms of safety on our roads. And yet, other than face recognition, we have no means of identifying people speeding on motorbikes and mopeds, particularly if they are wearing a full-face helmet.

145 Something else the Minister mentioned in his speech – which I find scandalous, to be honest, not to mention discriminatory – was his attack on pensioners, that they should not enjoy the right to own cars like anyone else. It was a bizarre statement for him to make, to single out pensioners in this way as if they should not have the right to own what he quotes as a ‘rock runner’. Even there, his arguments were flawed. He described the rock runner and in the same breath almost he said ‘that vehicle which is permanently parked, occupying a parking space’. Well, that is not the case; the whole purpose of the rock runner is for people’s day-to-day getting around Gibraltar.

The vehicles that need to be tackled are the abandoned vehicles on our streets but certainly not those vehicles used by pensioners to get around Gibraltar because they wish to protect the large investment they have made in the vehicle they use at weekends to go into Spain or wherever they choose to go with them. Ridiculous, Mr Speaker; ridiculous that the Minister should target old-age pensioners in this way. (*Interjections*)

160 It is important that we act responsibly, particularly in areas where strategies designed to improve the quality of life of the community are concerned, for that is the intention and the motivation of all of us in this House, unlike this administration – which I have demonstrated was ready, not to say eager, to wipe out any legacy of the previous administration regardless of cost or impact to the community. Thus Gibi Bikes were abolished, thus HEOs were removed, thus resident parking schemes were halted, thus buses were replaced for less user-friendly versions – and all to bring us back to square one later. (*Interjections*)

165 We on this side are more interested in the long-term interests of our community and would be happy to work with Government and to participate in the many consultations, considerations, reviews, studies and investigations suggested in the STTPP in order to give our community a consistent transport strategy for years to come.

170 Mr Speaker, I move now to matters affecting the environment, and another issue that has become a saga of mythological proportions is that of the sewage and waste treatment plants. Let me remind Government that this is a project they presented in their 2011 manifesto. Not their 2015 manifesto, their 2011 manifesto, that false dawn manifesto which the Chief Minister would have us believe was delivered 100%. Except it wasn’t – far from it, actually: there is no underground parking at Commonwealth Parade; there is no Naval Ground Park; there is no South Barracks Park or relocation of GBC; the Eastside reclamation remains unbeautified as was promised; the problems with the taxi city service have not been addressed; the problem of sewage at Western Beach was not immediately tackled and remains a problem; there has been no regeneration of Rosia Bay; there is no park-and-ride scheme from the Frontier to reduce the number of tourist vehicles on our street – it no longer even seems to be a consideration; there is no new road to the south district; and the paving in Main Street has not been made safe for women wearing heels. And all this just within the portfolios I have as *my* responsibilities. I know this is history, but the record must show that that particular manifesto was never delivered in full despite claims otherwise.

185 Returning to the sewage treatment plant, I accused the Minister of abject failure on this project a year ago in my Budget speech and I can only accuse him of precisely the same failure today without providing a single good reason or explanation. A year on and still not even a

contract award for construction, let alone an operating plant. We have a promise that it will be done in 30 months' time. Well, we shall watch and see. The Minister recently reiterated his commitment to the Paris Agreement on climate change as if our global contribution was significant. I think the Minister has his priorities very wrong. 'Mr Environment', as the Chief Minister likes to call the Minister, has been in his Ministry for nearly six years and still we pump raw sewage into the sea, knowing full well the environmental damage that this causes. There is no excuse. It is shameful. He used to criticise the former GSD administration for planting the wrong plants at the children's park at Europa – and now, year after year goes by and nothing is done about the travesty that is a sewage outflow just a few metres from that park.

I know that this is not a sexy project; I know elections are not going to be won and lost on this issue. I also know that we will never be able to make true the claims of this Government that Gibraltar is at the forefront of the environmental agenda while this base practice is permitted to continue. It is my duty to ensure that Government and the Minister are held to account until they deliver on this promise, and it is the Minister's duty to deliver on that promise.

Mr Speaker, an issue which in the last year has drawn much public discussion is that of the maintenance and poor condition of the North Front Cemetery. In the last year we have seen a public petition raised, asking that action be taken by Government to improve the condition of the cemetery. We have seen regular, almost continuous, criticism of the state of the cemetery on social media. We have had discussion in this House, and indeed last November we unanimously passed an amended motion which I brought to this House. Please allow me to refresh your memories on that motion, it read that:

This House recalls that North Front Cemetery is the place where our loved ones are laid to rest, considers that there has always been room for improvement to the condition of North Front cemetery and that this has been the case under successive governments.

Notes the importance of continuing maintenance to the state of the cemetery, recognising the efforts presently being made in that direction and supports the Government's plans to review relevant legislation and to provide a management programme for the maintenance of the cemetery.

This was last November and we as an Opposition were sufficiently gracious to allow Government to make its claim in that motion that it was making efforts to improve the maintenance of the cemetery, (*Interjection*) but we did so in the hope that Government would be spurred on by this to press ahead with developing and delivering a maintenance programme. Sadly, and to the great frustration of many, we have seen nothing of the sort in the ensuing *seven months*. If a management programme for the maintenance of the cemetery has been developed it is certainly not one that has yet to be given effect, judging both from the continued poor condition of the cemetery and the constant concerns raised by the public of its condition. These concerns just fall on deaf ears, it seems.

The motion notes the importance of continuing maintenance of the cemetery. We spend around £½ million a year paying people to maintain the cemetery, and a huge proportion of that is on overtime. Our community has a right to expect better value from that. Our community has a right to expect that the place in which our loved ones are laid to rest is looked after in a manner respectful to those loved ones. (**Hon. D A Feetham:** Hear, hear.) Our community has a right to be heard on this issue and Government has a responsibility to act promptly and appropriately to deal with this issue once and for all. What we have seen from Government is simply not good enough and I implore the Minister to give the cemetery the priority it deserves and that the people wish it to have.

Air quality in Gibraltar has also been cause for much debate this year and it is an issue that affects every one of us. The fact is that standards are simply not good enough. The air that we breathe is some of the worst in Europe. While monitoring of air quality has been an important and welcome step, the fact that such monitoring simply reveals, quite literally, how eye-wateringly poor that air is across a range of pollutants is deeply concerning. Anecdotal information indicating people suffer from respiratory ailments while in Gibraltar, symptoms they

often find relieved during periods of absence, supports the data and I would ask Government to consider conducting a full survey of this to properly ascertain the impact of poor air on people's quality of life.

235 I have already touched on this subject while discussing Government's parking policy. As vehicles are one of the three major contributors to pollution in our air it is inevitable that poor management of transport policy will result in worse air quality. (*Interjections*)

Large vehicles, or large diesel-engined vehicles, are particularly damaging in terms of pollutants. I did notice the reference in the STTPP to the new bus fleet with the latest approved
240 Euro-type engines – the implication being that these represented an environmental enhancement over the previous fleet. It is somewhat ironic therefore that Government should have sold this fleet not overseas, thus removing it as a contributory factor to poor air quality, but to a local private bus company so that these older vehicles are still on our streets, entirely negating the positive impact claimed in the STTPP of the new bus fleet with their latest Euro-
245 compliant engines. Not only was this done with no consideration for the environmental impact, it was done for the paltry figure of just £15,000 – just over £1,000 per bus sold. I suppose someone must have done very well from this deal but it certainly was not in the interests of the people of Gibraltar.

One of the other significant contributors to our poor air quality is power generation. The
250 advent of the new power station is of course expected to improve matters, but the location remains one that I simply cannot agree with. (*Interjection*) Setting that aside, however, it was disappointing to note that Government has ruled out the use of electrostatic precipitators to remove harmful particulates should the generators be required at any point to run on diesel. While I understand that that is not Government's intention, the contingency must be there for a
255 reason and Government had previously committed, largely due to the close proximity of their station to urban areas, to use the best available technology to remove pollutants from the power station's emissions. Government has reneged on that commitment by not including electrostatic precipitators and this will be to the detriment of air quality in general and in particular to those – and there are many – who reside upwind of the power station.

260 Bunkering is the other major contributor to poor air quality and it is also a major contributor to our economy, but that is not to say that we must not endeavour to minimise its impact on the community and find ways of doing this business in the most environmentally friendly way. We need to be honest with ourselves about our environmental record. (*Interjection*) We cannot keep saying what an excellent record we have and how well we are doing, when we are not. Not
265 really. The first step in actually making real progress is to recognise our frailties.

While projects such as placing bird-nesting boxes on buildings, managing the tuna catch, underwater cameras, the reintroduction of the Barbary partridge and other species are all important – and indeed I congratulate the Minister on the detailed work in these areas and other areas – these are small things in comparison to the real challenges we face. Sewage
270 treatment, air quality, and yes, issues like the cemetery which affect many people. We need to see ourselves through a lens of objectivity and recognise that we are far from world leaders in environmental matters, that while recycling our waste is rising, it is far from comprehensive and there is a long way to go. We have far to go in the use of renewable energies to generate power, rather than fossil fuel. We have a few solar panels dotted about the place heating water or
275 powering street lights; we have a trial wave generator occasionally boiling the odd kettle because much of the time it does not work at all. We need to step away from making such things sound as if they are hugely progressive projects in order to look good in the local media, because they are not. It is quite simple: they are not hugely progressive, they represent the smallest of baby steps and we need to be honest with ourselves and recognise this in order to begin to
280 make real progress.

The Minister issues press releases stating our continued commitment to the measures stated in the Paris Agreement on climate change as if we are a global contributor, but we are not even listed in that agreement as a contributor. We need to get our priorities right and focus on the

local and the regional. Our global impact, negligible though it is, will improve through these means.

I know that this cannot be done quickly and that plans for environmental improvement in a community our size must be long term – probably longer than the term of any individual Government or Minister. It is therefore with some disappointment that I say Her Majesty's Opposition remains excluded from all committees which may have a bearing or influence on future policy. Of course Government makes policy, that is accepted, (*Interjections*) but a particular Government may not be there to see policy come to fruition or indeed continue to deliver a policy with consistency. Environment is one area where cross-party agreement, at least in those areas requiring long-term consistency, may be desirable. I invite the Minister to consider this if he is genuinely interested in establishing Gibraltar as a global leader in environmental policy.

Finally, in terms of environment, I join with the Minister in congratulating Mr Bart van Thienen for his tremendous voluntary contribution at the foreshore and hope that the Government will support his application for citizenship.

A Member: What has one thing got to do with the other?

Hon. T N Hammond: Because it's the right thing to do, that's all. (*Interjection*)

Mr Speaker, moving on to Brexit, where I shall not dwell overly long, it has of course been over a year now since that referendum – (*Interjection*)

Chief Minister (Hon. F R Picardo): Point of order, Mr Speaker.

Mr Speaker: What is the –?

Hon. Chief Minister: The point of order is that the hon. Gentleman has raised a point specific to an individual across the floor of the House, not in congratulatory terms but in respect of an application –

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): For nationality.

Hon. Chief Minister: – for nationality; and that is out of order, Mr Speaker. If it is an attempt to curry favour – (*Interjection by Mr Speaker*) Well, indeed, but it is an attempt to curry favour with an individual in the Chamber, Mr Speaker. (*Interjections*)

Hon. T N Hammond: Mr Speaker, moving on to Brexit, where I shall not dwell overly long, it has of course been over a year now since that referendum, a year in which the British Prime Minister triggered Article 50 but sadly left direct reference to Gibraltar out of her letter to the European Union; a year in which the European Union responded to that letter from Theresa May triggering Article 50 and pointedly did not exclude Gibraltar from their response; a year in which we, representing Her Majesty's Opposition, have set out what we believe should be Gibraltar's objectives from the upcoming negotiations – free flow at the Frontier, be a part of any deal the United Kingdom makes with the EU, continue to have access to United Kingdom markets and be part of any agreements made by the United Kingdom with other nations beyond the EU – and it is heartening to say that both sides of the House are entirely aligned on these objectives. These points have been set out and maintained by the GSD since the result of the Brexit referendum was known.

It has been a year in which we have not always agreed with Government on the manner in which they have conducted themselves on Brexit. Above all, however, it has been a year in which all in this House have been broadly aligned in the interests of Gibraltar, where there has

been healthy debate and ultimately the establishment of a Select Committee to try and provide support to Government, listen to the community and assess the direction being steered by Government. *(Interjections)* We agree entirely with the Chief Minister that our sovereignty forms no part of the Brexit negotiations, that the Kingdom of Spain should not raise its hopes in this regard or see Brexit as an opportunity to forward its misplaced claims. It was a GSD administration under Sir Peter Caruana who negotiated the double lock on sovereignty, a mechanism which assures our sovereignty and an achievement which we on this side of the House are proud to defend.

Mr Speaker, finally, health and safety, and of course the recent tragic events that we have witnessed at Grenfell Tower in West London. First of all, I must pass on my deepest condolences to all those families affected by this tragedy. The horrors there have highlighted the potential risks of high-rise living and the extreme importance of managing fire risks. Pressures in Gibraltar will always be to build upwards, it is inevitable, but we must always do so safely. I have welcomed the recent statements by Government reassuring the public that the refurbishments of Government-owned estates and particularly the cladding used is of an entirely different nature to that used at Grenfell Tower, and that additional fire prevention measures were put in place to ensure proper fire protection.

Prevention is of course the key. Our community has limited resources for dealing with major incidents and this is clear when you see the kind of response to serious incidents that we have witnessed in London or Manchester. This is not to say that the men and women of our emergency services are in any way less capable than their counterparts in the United Kingdom because that is of course not so; it is simply that we cannot draw on the same resources as would be available there. We need to be all the more cautious in minimising our risks accordingly. I trust that the Government will still be conducting a full fire safety review of Government high-rise housing stock, and I repeat my call to consider extending that review further to include those estates which are partly Government owned, to provide further assurance to our community that our homes are safe from fire. I further ask that the Government makes public, or at least shares with residents, the results and recommendations of such surveys when they are complete and acts as swiftly as possible to address any issues that are raised. I also ask that the Government undertakes to conduct similar tests on the cladding of buildings as those which have been conducted in the United Kingdom, and not just rely on manufacturers' reports for assurances.

Finally Mr Speaker, I would like to thank you, the Clerk of the House and all the staff of Parliament, for the help and support that they have offered and that I have received in this last year. Thank you. *(Banging on desks)*

Mr Speaker: The Hon. Gilbert Licudi.

Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi): Mr Speaker, I start my address with Tourism.

Mr Speaker, this important sector will continue to play a crucial role in the next stage of our challenging future.

Last October, the responsibilities for running visitor attractions, mainly within our Nature Reserve, and the provision of beach facilities were transferred to the Department of the Environment. This element of the tourism industry is now overseen by my colleague the Hon. Minister John Cortes. This change has allowed the Gibraltar Tourist Board to concentrate more effectively on promoting Gibraltar abroad as a tourist destination as well as developing new and diverse opportunities for the industry. Consequently, the increased budget figure for marketing this year will allow us to strengthen the job of selling the destination and attracting more visitors to our shores.

Our partners in the industry tell us that the growth of the weddings and MICE markets is consistent, and we will pursue the MICE element in particular this year. MICE, or 'Meetings,

Incentives, Conferences and Exhibitions', is a form of tourism which attracts large groups of people. MICE tourism is usually planned well in advance of the event so it is absolutely crucial to stay ahead of the game and get in early. Only recently, the GTB exhibited at the Meetings Show in London. This is one of the most prestigious events of its kind. It benefits from a hosted buyers programme that delivers tangible, potential business directly to those promoting their products and services at the event.

Our participation at the World Travel Market, the industry's leading exhibition will continue in partnership with the local tourism industry. So too the road shows, such as those held in the UK earlier this year and in Morocco last year.

Mr Speaker, in this electronic age the GTB is shortly to enhance the effectiveness of its website and will have a new brochure, available electronically to download. This will also help to make tourism information available more accessible. Our efforts in making social media work harder for Gibraltar are evident, as an increasing number of both public and private sector entities embrace the Gibraltar branding and use it to jointly promote the Rock. The GTB's activities on Facebook, Twitter and Instagram are always well received and we ensure that we support other events through this medium.

Event-led tourism continues to be an important element of our tourism strategy and the results are there for all to see. From chess, backgammon to darts, music, food and literature, to name but a few, Gibraltar is fast developing a reputation as *the* place to travel to, to experience this all. We continue to work closely with our colleagues in the Ministry for Sports and Culture.

The Gibunco Gibraltar International Literary Festival has certainly become one of the most prestigious events we host in Gibraltar and one which the GTB works tirelessly to deliver. We were delighted to announce that Her Royal Highness the Princess Royal has agreed to continue her patronage of the Festival for a further three years. This year will see the fifth edition of the Festival and it is indeed a testament to all those involved for such a young Festival to have reached the dizzy heights already.

Mr Speaker, I was delighted and honoured to present the Gibraltar Lecture at the FT Weekend Oxford Literary Festival once again this year. Laurence Rees delivered a deeply moving and captivating lecture about the Holocaust. We are honoured that he has accepted our invitation to repeat the lecture at the Gibraltar Festival in November this year.

We have recently announced the participation of some prestigious authors and celebrities and I am thrilled to see the Festival once again become a benchmark for others of its kind around the world.

Mr Speaker, I would like to thank the main sponsor of the Festival, the Gibunco Group and all the sponsors and partners who make it possible for the Festival to take place. I am delighted to say that the financial burden on the Taxpayer continues to lessen, as the Festival grows in popularity and reputation year on year.

Mr Speaker, all these efforts and more are showing positive results in our visitor numbers. We have more visitors by air, by sea and the number of coaches bringing day visitors to the Rock is also on the increase.

It is certainly gratifying to see in the Hotel Occupancy Survey that the total number of arrivals at hotels in 2016 reached a record high, showing an increase of 18.9% over 2015, and to see that the largest gains came from tourist arrivals that grew by 25.6% over 2015.

Mr Speaker, commercial aviation in Gibraltar saw record passenger numbers in 2016. We welcomed a record 50 flights per week in the peak summer months, with August being a record month for passengers, with 60,360 passengers handled. Looking at 2017, record passenger numbers have already been broken in the first few months of the year.

We continue our one-to-one contacts on a regular basis with the airline industry. This is wholeheartedly welcomed by the airlines that frequently comment on our proactive approach to ensure that they are always in possession of the most up-to-date information on Gibraltar.

We also continue to participate in the ROUTES Europe development forum, where airlines and airports come together to do business.

440 In 2017, we will see existing routes consolidating even further, with load factors expected to be up and flights operating even fuller than they were last year, increasing passenger numbers and throughput at the airport.

Mr Speaker, the cruise industry continues to show consistent signs of growth. In 2017, 252 calls are already expected. This is an increase of 12.5 % on last year. Seven cruise ships will make their inaugural calls at Gibraltar, with one in particular, *Panorama II*, making a total of 21
445 scheduled calls in the year.

This year the wharf at the Mid-Harbour Marina was also used to berth one of the smaller cruise ships, as the North Mole was fully booked with other cruise ships in port on that day.

Our regular contact with the industry either face to face, at the Seatrade Global events and through the membership of MedCruise, allows us to be prominent in the eyes of the cruise
450 industry. Our partners in the local shipping industry play an important role in all the aspects of the points I have covered, and we are grateful for their support in the day-to-day task of promoting Gibraltar and making sure that our clients and visitors get the highest levels of service and the best experiences.

Only last week, we hosted the 50th General Assembly of MedCruise, the Association of
455 Mediterranean Cruise Ports. This Association also includes ports in the Black Sea and the Atlantic Islands. Over 100 delegates attended the three day event and carried out important business discussing the state of the industry. This was the second time in recent years that Gibraltar has hosted the event.

Mr Speaker, as a Government we have embraced tourism and seen significant growth. Our
460 commitment to the task of selling our unique destination will continue with fervour and pride as we showcase to the world what it is that we have to offer.

Mr Speaker, I now turn to Employment matters.

As at October 2016, the total number of employee jobs in Gibraltar increased by 929, from
465 26,144 to a record high of 27,073. This is the highest number ever recorded. In October 2015, the highest number of Gibraltarians in employment stood at 11,010. I am pleased to announce that in October 2016, this number rose to 11,065. This is also the highest number ever recorded.

Private sector growth has risen by 907 – that is 4.5% – from 20,070 to 20,977 in October
470 2016. The public sector saw an increase of 23 – that is 0.4%. Average gross earnings is now £28,751.62.

Mr Speaker, we have the lowest number of Gibraltarians unemployed ever recorded. Despite the challenges Gibraltar has faced and is facing, our unemployment has this year once again reached record low levels. 2017 has seen the lowest ever level of recorded unemployment in history. The number of unemployed persons in Gibraltar stood at 111 as at 31st May 2017. This
475 is the lowest level ever since records began. The published first quarter average of unemployment is 216, also a record low – the lowest first quarter average on record!

Mr Speaker, the Department of Employment has undergone a number of operational changes. In the past six months, the Department has been working tirelessly to improve the quality of the services it provides to all its customers, by reviewing all of its processes and
480 systems. It is finalising the digitising of all forms and continues to work to offer online facilities to ease the administrative burden on businesses and strengthen the service provided to the public.

In the last few months, one of the key initiatives undertaken by the Department involves meetings with a cross-section of employers to assess and assist them with any historic issues they may have had when dealing with the Employment Service. One of the main issues that
485 needed to be addressed is the registration of detached workers and short-term business visitors. I am pleased to announce that we will shortly be in a position to offer businesses a new faster and streamlined process of effecting such a registration.

Mr Speaker, the Labour Inspectorate is tasked with the regulation and enforcement of our employment laws. This Government is committed to eradicating illegal labour in order to ensure
490 that all businesses are compliant with the Employment Regulations. This is in fact one of the main issues the business community has requested that we investigate and deal with. A new

programme of inspections will be rolled out within the coming months, which will ensure a level playing field is maintained within the job market.

495 The Department has recently produced an information leaflet, which provides essential information to anyone considering setting up a business, trade or profession in Gibraltar. This has been a first for the Department of Employment providing this essential information on-line, in an easy and accessible manner and has proved to be a valuable resource and point of reference to both employers and employees.

500 Mr Speaker, the local branch of the Chartered Institute of Personnel and Development (CIPD) held two events this year in connection with the recent changes to the Employment Tribunal legislation. The first was held in July 2016 in conjunction with various law firms. The event provided an opportunity for HR professionals in both public and private sectors to gain an understanding of the legislative changes and how they apply to them in practice.

505 This was followed up in April 2017 with a simulated Employment Tribunal hearing, giving attendees a flavour of what it is actually like to go through the process. In the role-play scenario, a team of expert employment lawyers recreated the workings of a tribunal in a safe and non-critical environment, with a question-and-answer session afterwards. Attendees were able to understand the procedure of giving evidence, cross-examination and re-examination and discuss their perceptions of the evidence given and what the case outcome might be.

510 Mr Speaker, the Department of Employment, as part of its Careers Development Service, is proud to offer the enhanced services of a dedicated specialist team of Employment Co-ordinators. The purpose of the Co-ordinators is to match the skills, qualifications and experience of those seeking employment with the current employment requirements of local employers.

515 Employment Co-ordinators work closely with employers across industries to help facilitate efficient identification of the available workforce and in turn facilitate the effective matching of those seeking work with relevant available vacancies.

520 These officers are available to all members of the public who are registered with the Department of Employment. Registered persons unemployed or looking for alternative work are given guidance and the opportunity to review all the vacancies that are open publicly and apply to those to which they find of interest.

525 In addition, the Employment Service provides one-to-one clinics whereby each person's employment needs or concerns are assessed, followed by the development of an action plan, which may further include referral to the Employment Counsellor. Where necessary, for enhanced CV production, interviewing skills and referral for onward training opportunities can be provided.

530 The Department is also in regular contact with our secondary schools and the Gibraltar College so that any other service which they feel would benefit their students will be discussed with a view to implementation. With that in mind, the Department of Employment has made available Employment Counsellor to attend the Department of Education with a view to addressing any employment or personal issue that a prospective school leaver may have and to prepare that person to start employment on a positive note.

535 The Careers Section delivers orientation workshops for students at the Gibraltar College, Westside and Bayside Secondary Schools. The workshops allow students who are thinking about leaving the education system to have the opportunity to explore the options available to them in the job market. These workshops are proving to be a success. On the one hand, the students are in an environment where they can talk openly about their expectations, fears, doubts, etc. before they finally decide whether to leave the education system altogether.

540 The transition from education to employment is always a challenging one. The timing of when to do this or even start thinking about the prospect is perhaps one of the most important decisions a young person has to take. The Department can be very useful in bridging this gap by supporting them in the decision-making process.

For those students that have decided to leave the education system, the Careers Service provides dedicated support. Interview techniques are practiced and assistance is provided in

formulating a CV and cover letters for job applications. The purpose of these sessions is to ensure that first time job seekers can rely on a Work Ready Toolbox to assist them in the process of getting a job.

Mr Speaker, the Government has responsibility for the Gibraltar and the Airport Fire and Rescue Services. 2016 was a year of steady progress for the Gibraltar Fire and Rescue Service (GFRS) maintaining the three-year targets set in the 2016 Integrated Risk Management Plan.

The senior management team is also driving a modernisation programme for the Service involving the Fire Control Room, Operations Room, M/T Workshop and the recently established Health and Safety/Welfare Office.

The development of the Control Room has seen the implementation and upgrade of standard operating procedures, an improved training programme that will enhance emergency call management, restructure of supervising and reporting lines and enhancing command and control competence.

In addition, Training Management System software – known as the Red Kite – is being implemented at the GFRS. The software will capture and record Personal Development and Maintenance of Skills processes, monitor minimum levels of competencies within the various training programmes and keep a track of assets and equipment. The same software is being used by the Airport Fire and Rescue Service for a similar purpose.

The Operations Room at the GFRS has been redeveloped into a multi-function facility that has the capability to perform as a Station Command and Control HQ during a fire related incident or as an alternative multi-agency Silver Command post. In addition, it is also being used as a secondary lecture room for operational training events and as a study room for those members of the Service looking to develop their careers further.

Mr Speaker, the Government continues to invest in essential plant and equipment. As part of the GFRS fleet replacement programme, we have acquired two fire appliances, an auxiliary vehicle and a potable pump with a combined value of £287,000. The two new appliances should be built by September of this year. The ultimate beneficiary of this replacement programme is our community.

The GFRS forms a vital part of Gibraltar's future development. It is involved in major projects such as the pre-construction phase of the LNG power station and the Airport tunnel. The main objective of this early involvement by our fire personnel in both these projects is to familiarise themselves with potential risks in order to assist in the implementation or creation of emergency response plans. The primary aim of these plans is to mitigate the effects that an incident could have on first responders, our community and the environment. In addition, a contingent composed of GFRS Senior Management, Operations personnel, and members of the Environment Department, have travelled to the UK and Norway to obtain first-hand knowledge on LNG plant operations, safety and security, and emergency response capabilities.

Mr Speaker, last October, a team of four firefighters from the GFRS travelled to Montgomery, Alabama in the US, to represent Gibraltar in the 25th Anniversary of the World Fire Fighter Combat Challenge. The aim was to gain and share experiences and importantly to try and make it past the qualifiers. What followed exceeded all expectations: not only did the team achieve their goal of making it past the preliminaries, they battled their way to the world finals, finishing in a fantastic second place and bringing home the silver medal. My heartfelt congratulations to the team for their fantastic achievement. (A Member: Hear, hear.)

Mr Speaker, the Airport Fire and Rescue Service (AFRS) has had a busy period of activity during the last 12 months. During the financial year, AFRS has teamed up with various UK-based fire training institutions, the GHA Ambulance Service and other professional bodies and undertaken training and Continual Professional Development.

Two new recruits have been taken on to supplement the AFRS complement and these are now back from the United Kingdom, where they undertook their Initial Firefighter's Course at the International Fire Training Centre in Teesside.

595 Recently, HMGoG awarded a tender for the replacement of the fire vehicle fleet, which will entail an investment of just over £3 million. This project will be co-funded with the Ministry of Defence (MOD). The new airfield rescue and firefighting vehicles should be delivered in the next 12 months and replace the existing MOD vehicles, which are between 17 and 18 years old. This investment will bring up-to-date technology and considerably enhanced fire-fighting resources and capabilities to the airfield for the benefit and safety of the flying public. Two new Operational Support utility vehicles will also be procured.

The AFRS also unveiled new kit that affords firefighters the essential protection to deal with the full range of fire and rescue incidents.

605 The AFRS continues to work closely with the GFRS to promote synergies, having recently signed Interoperability Memoranda of Understanding in respect of both aviation-related incidents and to support the GFRS at any other incident throughout Gibraltar.

610 Mr Speaker, aviation fire-fighting is heavily scrutinised and subject to a rigorous compliance regime. The AFRS recently underwent a UK Civil Aviation Authority audit, with only relatively minor issues to report. The senior management team are rightly proud of this result, if you consider the significant administrative challenges in the transition from the MOD to HMGoG that this has represented to the team in such a short period of time.

615 Mr Speaker, with regard to the Gibraltar Air Terminal itself, and as I have already mentioned, 2016 saw Gibraltar International Airport breaking all historical records of both passengers and flights handled. The new services from Monarch operating four times a week from Gatwick and easyJet operating twice a week from Manchester contributed to what was an already busy schedule: 548,230 departing and arriving passengers were handled in that year, which was an additional 103,894 or 23.4% more than in 2015. Similarly, 4,968 commercial aircraft were recorded, which reflects an increase of 868 or 21.2% growth from 2015.

620 The passenger figures for the fourth Quarter 2016-17 already shows an increase of 13.6% in January, 20.2% in February and 17% in March in comparison to 2016. This would indicate that the trend is continuing and the capacity available is being taken up, which will assist in consolidating the routes.

625 Mr Speaker, the Gibraltar International Airport was recently shortlisted by PrivateFly, a leading online booking platform for private aviation charter, in its Most Scenic Airport Landing Poll for 2017. Thousands of global travel fans voted in the poll, with over 122 different airports around the world receiving a mention, including those chosen and shortlisted by PrivateFly's expert judging panel. I am happy to report that Gibraltar came out in fourth place, behind Nice in the Cote d'Azur in France, Donegal in Ireland and Saba in the Caribbean.

630 The Air Terminal has also been very active in staff training with all the different organisations continuing to improve on their interoperability and ensuring that they achieve compliance with the high standards that are set by the aviation industry.

Mr Speaker, the Port of Gibraltar continues to see growth in activity across nearly all sectors of the industry. This is despite the continuing slowdown in global economic activity, overcapacity in shipping across the world and stiff regional competition.

635 Specifically, 2016 saw an increase in both the number of vessels calling at Gibraltar for bunkers – up 2.6 7% on 2015 – and in the quantity of fuel delivered. The GPA also recorded a rise in ship-to-ship transfers in the Bay of nearly 15%. Off port limit transfers were also up by just under 6% and increases were also seen in occupancy rates at the Eastern Anchorage.

640 This positive trend is reflected more widely in the total number of vessels calling at Gibraltar, including cruise ships and superyachts, which saw increases of just under 10% and 24% respectively. An increasing number of superyachts have also taken advantage of the new berths at the recently commissioned Mid-Harbour Marina. Of note, we have seen a threefold increase in superyacht nights since the berths became available, with almost 40% of superyachts calling at Gibraltar now staying for at least one night.

645 Working closely with the recently formed Gibraltar Yachting Business Development Association (GYBDA), efforts continue to market Gibraltar as a key hub in this sector, highlighting the wider range of services available and the easy access to so many attractions.

Initiatives which were introduced some 18 months ago to promote the Port of Gibraltar continue to have a positive impact, with Gibraltar hosting the extremely successful International Bunker Industry Association annual convention in Gibraltar last November, for the first time ever, with over 150 delegates from around the world visiting Gibraltar.

655 With the support of the Government, the GPA has continued with its targeted marketing campaign, directly engaging with ship owners and operators as well as attending key industry events around the world, including Singapore, Athens, Rotterdam, Amsterdam and Dubai, thereby providing an opportunity to reinforce the Port's reputation in the regional and global stage. Attendance at these events has also resulted in the Port being invited to give presentations or sit on panel discussions at high profile bunkering or shipping conferences and this has provided an opportunity to update the audience on recent developments and initiatives aimed at further improving the Port of Gibraltar's efficiency and standing.

660 The Gibraltar Port was also invited last year to join the Society for Gas as a Marine Fuel, a non-governmental organisation established to promote safety and industry best practice in the use of gas as a marine fuel. With over 100 members, the Society includes key ports such as Singapore, Rotterdam, and some of the most well-known suppliers and operators in this field. This represents a key step for the GPA, allowing it to draw on the technical experience and expertise present in the Society.

665 Mr Speaker, as previously announced by the Government, a new Vessel Traffic Services system has been purchased by the GPA. This new system will be housed in the nearly completed Port building at Lathbury Barracks and should be ready for testing in late autumn with the goal of going live shortly after. This is a significant investment. However, it serves to demonstrate this Government's clear commitment to ensuring that safety, particularly in our busy waters, always comes first.

670 Mr Speaker, an important aspect of the development of the Port is the continuing excellent relationship between the GPA and the private sector port operators and service providers who work very closely to support the shipping community in our efforts to maintain Gibraltar's reputation as a centre of maritime excellence.

675 Mr Speaker, I turn to Gibraltar Maritime Administration (GMA).

Once again, the Gibraltar Ship Registry has retained its 'White List' status worldwide and remains one of the top 20 in the world. This is reflected in the annual International Chamber of Shipping's 'Flag State Performance Table' for 2016-17.

680 In addition to the improvement in quality, the overall Gibraltar fleet – both yachts and ships – has increased 6% between 2015-16. We now have more than 1,200 vessels registered in Gibraltar, despite challenges such as, as I have mentioned, the global depression in the international maritime market. This is a testament to the excellent products on offer at the Registries, as well as the supporting services within Gibraltar.

685 The Gibraltar Yacht Registry introduced the 'Small Ships' Registry' in July 2016 and the take-up has been very healthy, with 47 new registrations up to the end of 2016 and a further 27 this year.

690 The GMA has once again been providing training for a number of independent authorities throughout the past 12 months, including the Royal Gibraltar Police, the Gibraltar Port Authority, the Danish Maritime Administration and the Isle of Man Registry. The latter two have used the GMA as a base for Port State Control inspections and surveys, which is the internationally agreed regime for the inspection of foreign ships in other national ports.

The GMA's Seafarers' Section continues to issue a significant number of provisional and full-term certificates, with more than 4,700 completed during 2016. I am pleased to announce that 695 the GMA will shortly be introducing a new web portal for seafarers' certification and online

payment platforms this year. International and local clients will soon be able to apply, manage and receive seafarer documentation on a 24/7 basis.

In December last year, Captain Rob Cumbes retired as the GMA's Chief Surveyor. Captain Cumbes has provided many years of Service to the Government and I would like to thank him for this and wish him a long and happy retirement. I also take this opportunity of congratulating Mr Dylan Cocklan on being successfully appointed as his successor in June 2017.

From the outset, the Government has sought to attract and train Gibraltarians to pursue a career in the Maritime Sector. I am happy to inform this House that Mr Ashley Perez and Mr Martin Caruana have now completed their Port State Control Officer training in January 2017 and are fully qualified to serve as Marine Surveyors.

HM Government's strategy for the GMA over the next two years is to continue maintaining its high level of quality service, increase the fleet size by bringing in business from new geographic areas and further develop its position as a training hub. The GMA is the international maritime gateway for businesses into the Gibraltar market and Gibraltar offers the full spectrum of maritime services, from finance to insurance, crew certification to ship suppliers. The fact that the fleet continues to grow and yet still maintain its international accreditation as a high-quality registry is a testament to the Government's investment in the Department and the hard work the staff at the GMA have proactively put in.

Mr Speaker, I turn to Civil Contingencies. A number of exercises to test threat assessments have taken place during the last 12 months. I briefly summarise them as follows: two counter terrorism table top exercises of one day duration; one dry run nuclear exercise; a full scale nuclear exercise; a full scale counter terrorism operational exercise; a full day table top workshop for HMGoG support services aimed at the aftermath of a major event; two plane crash exercises aimed at the management of specific areas, friends and relatives centres and the airfield apron. A further exercise to test the management of an incident at senior level is now been planned.

The Civil Contingency Department is working on contingency plans to cover any major incident concerning the provision or use of LNG and also the Airport tunnel project. Once these plans are completed, they will form part of the Major Incident Response Plan and will be exercised in order to ensure that known threats can be adequately managed in a co-ordinated, efficient and safe manner.

Mr Speaker, the challenges we all face in an uncertain world are many and it is right for the Government to continue to invest time, resources and money to prepare against a major incident that we all hope will never occur.

Mr Speaker, turning to the International Exchange of Information: in addition to handling day-to-day Exchange of Information on Request in tax matters with TIEA-partner countries and negotiating further international agreements, Gibraltar Finance has continued to lead on the implementation of the various international tax compliance-related initiatives. Gibraltar Finance co-ordinated the automatic exchange of financial account information with the USA under FATCA for the second consecutive year in 2016 and the automatic exchange of financial account information with the UK under the bilateral Intergovernmental Agreement for the first time, also in 2016.

Preparations are underway to automatically exchange financial account information with the first wave of countries by the end of September 2017. Gibraltar Financial Institutions are required to upload their submissions to the Government's automatic exchange of information portal www.aeoi.gov.gi by the deadline of 31st July 2017.

Work is now underway on implementing the OECD's Common Reporting Standard on the automatic exchange of financial account information in terms of 'activating' the exchange of information relationships with partner countries.

Following a positive OECD Phase 2 Review in 2014, where Gibraltar was rated 'Largely Compliant' and a satisfactory OECD assessment of Gibraltar's Confidentiality and Data Safeguards in 2015, the OECD has announced that a Phase 3 Review of Gibraltar's 'Legal and

Regulatory Framework and Implementation of the Standard in Practice' by the Global Forum on Transparency and Exchange of Information has been scheduled for the first half of 2019.

750 Mr Speaker, the relevant amending legislation implemented by the Government to comply with the OECD Global Forum's Phase 2 recommendations was the Partnership, Trustees and Tax Information (Miscellaneous Amendments) Act 2016. This Act, which amended three separate pieces of primary legislation – namely the Partnership Act, the Trustees Act and the International Co-operation (Tax Information) Act – came into effect upon publication in the
755 Gibraltar Gazette on 1st December 2016.

Mr Speaker, on Social Security, I take this opportunity to welcome Mr John Reyes as the new Director of Social Security. Mr Reyes took up his new position in March this year and I wish him all the best in the new role.

The Department of Social Security is already offering their customers the facility of having
760 their housing rent deducted from benefit payments thus relieving them of the burden of either going personally to the Housing Department to pay in person or having to set up a direct debit or standing order arrangement to settle their monthly rental bill. This simple step has also had a positive impact on rent arrears. The process makes things easier for the tenant and the Government and reduces the risk of defaulting on a payment.

765 Mr Speaker, the Department of Social Security will shortly be benefiting from a new software application system. One of the main benefits of the system is that it will eliminate the duplication of data, therefore delivering a more efficient and effective service to the public. By way of example, a birth certificate submitted when claiming a particular benefit will be stored in the database and the information can be used again at a later date for processing future claims.
770 Simple steps like this make a big difference to the Department and its beneficiaries.

The software will also streamline the information currently held in manual records, therefore highlighting and eventually reducing any inconsistencies in the system. It will also serve as a sophisticated analytical tool with the ability to produce statistical data that can analyse the impact of projected expenditure in relation to any given benefit.

775 Finally, Mr Speaker, I wish to thank my staff and all those who work in the various departments and organisations which form part of my ministerial responsibilities. I am grateful to all of them for their support and dedication.

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

780 **Mr Speaker:** The Hon. Neil Costa.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, little did I suspect, when I first stood for election in September of 2007, that I would be serving my community and the good people of Gibraltar for at least three terms. As I reflect on my concept of time – which is
785 solely that it flies, Mr Speaker – I stand proud to deliver my 10th Budget address as a Member of Parliament, and sixth as a Government Minister. Today, Mr Speaker, I deliver my first Budget as Minister with responsibility for Health, Care and Justice.

In line with many other western nations, it makes sense for Gibraltar to integrate Health and Social Care, and during the course of my Budget address I will provide details as to the synergies
790 between both and the steps that we have already taken to align care in the health and care settings. Similarly, as Minister for Justice I have been in a position to move quickly in the drawing up of legislation that relates to the care and the protection of our community – for instance, the Government's legislative reforms in respect of the safeguarding and protection of children, more of which I will say later.

795 Mr Speaker, before I continue I will literally beg for your indulgence, as I had prepared a speech in the tradition in which I had heard all previous speeches in my nine years in the House, which is from a prepared script. Notwithstanding, in the limited time available, I have sought to shorten my contribution in line with your direction before lunch. I will therefore ask my teams

not to think for a moment that I consider any of their work any less important by not mentioning any aspect during the course of my contribution.

Mr Speaker, I turn firstly to my responsibilities as Minister for Health. Political observers, and, I think, the wider community, will have noted the ongoing reforms and the substantive changes at the GHA.

Our model of healthcare puts primary care at the forefront of health services and is well understood to be the gatekeeper to secondary care services. A strong Primary Care Centre will take excellent care of our community and keep many medical services within the primary care setting and away from the hospital.

In this last financial year there has been an overall comprehensive review of all primary care services by the clinical and management teams. The findings of the review have resulted in the introduction of some highly effective reforms and creating better access to our GPs, better patient choice, enhancements to the existing services and a more streamlined service overall. The GP complement currently stands at 23 general practitioners divided into three area groups of between six and eight practitioners. In order for the House to fully understand the work of our GPs, it is important to set out the daily context. The Primary Care Centre offers between nine and ten thousand appointments monthly, it receives approximately 55,000 calls monthly and, regrettably, on average, 450 patients do not attend their appointments each month. As a result, this last financial year has seen important changes to the distribution of appointments and, in particular, the availability of appointments to patients.

The introduction of the on-day clinics has proved a successful initiative, in particular benefiting patients who need to be seen promptly by a GP and who cannot wait or plan ahead. The new service consists of a full clinic per clinic area on a daily basis, which is automated and releases appointments daily at 8.15. Patients who have been unable to make an appointment with their GP of choice can attend the on-day clinic with no pre-booked appointments. This represents a significant change in how appointments are offered and how much more responsive we can be to patients' needs. In total, over 200 appointments are released on a daily basis for the same day, taking into account emergency clinics, emergency overflow appointments, critical ill appointments for urgent patients and the on-day system.

The repeat prescription system has been hugely successful, Mr Speaker, launched on 6th February. The service has a dedicated counter at the PCC main reception desk and allows patients to request a repeat of their regular medications without necessarily having to see a GP. The patient's medical record is checked by their GP before the prescription is issued to ensure safety and the involvement of a clinician at all times. The number of prescriptions from the start of the service to the end of May is 1,659, which equates to freeing up an average of almost 400 appointments every month. This is a clear illustration of how we have listened to the comments of patients and have responded promptly, providing better patient choice.

The sick certificate telephone service is a modern and creative solution to the problem of appointments being used for patients who are not in fact seeking medical care, but simply a certificate to allow them to stay at home and recover from a minor illness. On 6th March of this year, a dedicated telephone service was introduced where a phone call can now be made to request a sick certificate for up to two days at a time, no more than once every three months. The service is operated by qualified nurses who are formally trained in telephone triage and any certificate issued is recorded in the patient's clinical record. The initiative is designed for patients who have minor self-limiting illnesses who do not wish to be seen by a doctor but who need rest and self-care at home. The innovation supports the Government's public health message for keeping minor and infectious illnesses away from public places, such as the PCC and the A&E department. To date, this service has become increasingly useful with each month that passes. For example, in May, 298 sick certificates were issued, representing a saving of 298 GP appointments in one month alone.

Both of these new initiatives combined are now releasing more than 700 appointments each month. Based on the increase in use of these services since launch, we are fully expecting the

number of patients using the services to rise. To put it in context, Mr Speaker, this has completely mitigated for any loss of appointments due to non-attendance and more besides. Further, and crucially, these two reforms alone have released pressure on A&E and emergency services and have allowed GPs to spend more time with their patients, improving the quality of the care provided.

Improvements to care services also occur behind the scenes with a project to scan and digitise all patient paper notes and upload the information to individual electronic records. This huge undertaking of 60,000 sets of notes will eventually release up to six PCC clerks to attend to patients face to face and on the telephone. This will result in improved customer service, making things easier for patients to navigate through a very busy department. From a clinical governance and safety perspective, it also raises standards of care by ensuring that a patient's full medical record is always available to their GP and any important past medical events can be easily viewed and accounted for.

Mr Speaker, the aim of the Government is to repatriate services, also extending to bringing back primary services from secondary care so that services can be developed that integrate closely with overall community care, so that whole teams of professionals can be involved from allied health professionals to pharmacists to nursing staff and to GPs.

In line with the Government's Strategic Plan for the PCC, GPs are now being encouraged to develop special interest roles. Palliative care, dermatology, cardiac rehabilitation, clinical supervision, women's health and child health are among the special interests being developed. One of the most successful of these GPs with special interest initiatives is the very popular Dr Ferrera of the dermatology clinic. In February of this year the demand for dermatology appointments was such that my Medical Director approved a significant increase in the time devoted by Dr Ferrera to dermatology from two clinics a week to five. Dr Ferrera will therefore see between 15 and 18 patients per clinic, equating to a total of over 80 dermatology clinic appointments a week for him alone. Dr Ferrera also works with a highly trained and professional nursing team who have specialist training in their own right. These skilled nurses undertake an enormous variety of skin treatments, including dermoscopy to check moles, minor operations, patient reviews after treatment and chronic skin disease management. Perhaps the jewel in the crown of the service is that the team also work with a visiting consultant dermatologist who comes every two months from the UK for two to three days at a time and who provides specialist advice for patients, support and training for our team.

I am sure Mr Speaker, that we can all appreciate that living in a high sun exposure area means that dermatology is a vital service for the health of our community. It is my belief that such a service portrays the best of primary care – medical treatment, health promotion and health surveillance in a familiar but professional setting.

Capitalising on the enormous success of the dermatology GP specialist interest initiative, on 16th March 2017 we introduced a GP with special interest in musculoskeletal medicine to speed up the management of medical problems that can often lead to patients missing work and losing mobility and independence. Dr Elaine Flores is currently working at St Bernard's Hospital to help us reduce waiting times for patients waiting to be seen in an orthopaedic clinic. Mr Speaker, it is fair to say that the success of this reform has taken, pleasantly, all of us by surprise. In less than two months Dr Flores has been able to reduce orthopaedic waiting times by a staggering five months. By mid-May she had seen 179 patients in total – new and review patients – and between 15 and 20 new patients every week with a clinic commitment of five clinics a week.

It is envisioned that the service will eventually be transferred to the Primary Care Centre and all patients referred to orthopaedics by a GP will be seen and examined by the specialist GP first. Minor practical procedures can be carried out in a short timespan and patients needing consultant opinion and surgery can be streamlined into the hospital in a way that really does demonstrate how fortunate we are to have integrated medical services working closely for the best outcome for our patients.

Mr Speaker, it is my firm conviction that a strong primary care service guides and elevates all aspects of healthcare to our community. I have a team of primary care clinicians, managers and admin staff of whom I am immensely proud. Day to day and without fail they deliver high-quality professional care to every member of our community from the youngest to the oldest, and while doing so they still manage to suggest and implement improvements in care to better serve all of the community. I am humbled by their dedication and honoured to lead them. Whereas it is impossible to name all of our dedicated staff, I wish to thank the leadership of our Deputy Medical Director and lead GP Dr Krish Rawal, and our PCC Manager, Rose Suissa. They truly represent the best in all of us, are patient and compassionate and are forever considering ways to improve the service.

In respect of secondary care, I cannot overstate the impact of placing clinicians at the forefront of managing services. The strong leadership by practising clinicians and a key focus on repatriating services back to Gibraltar is already paying enormous dividends in terms of patient care and the streamlining of resources.

Mr Speaker, the steadfast commitment of the Government to improve the quality and the delivery of healthcare continues with a firm focus on supporting and strengthening the emergency services. I was proud to announce the first in a series of steps in the A&E department which saw the deployment of two additional A&E charge nurses. The deployments have ensured that a highly skilled senior member of the nursing staff leads and manages the A&E team in every shift. The charge nurse role is crucial, as they are the frontline management on the shop floor. They are responsible for organising and supporting the whole clinical team on each shift and ensure that all A&E patients receive high-quality, safe, compassionate and timely clinical care.

Further still, Mr Speaker, the GHA will employ a consultant in A&E to provide clinical leadership and a senior presence in the Department and lead in the development of services. The advert for this post was published in May 2017 and applicants' interviews will take place on 10th July. For such an important element in the medical care of our community, this senior role will further reinforce my drive to have the subject matter experts, namely clinicians, delivering, guiding and progressing care.

The Day Surgical Unit represents one of the biggest and most gratifying successes of the past financial year, for which fulsome credit must be given to my illustrious and hon. predecessor Dr John Cortes, who, if I may add, also brought back the heart and compassion to the GHA. I must place on the record my gratitude to Sandie Gracia, our Nursing Director, who was also a driving force in this very successful project.

The Unit continues to expand its services by undertaking further procedures, including cardiac procedures, urology surgical lists, dermatology sessions, as well as general surgery and anaesthetic lists within its own theatre suite.

The House may recall that the Day Surgery Unit continues to undertake over 90% of all elective surgery, with even more surgical procedures now being performed using keyhole techniques that allow for patients to heal sooner and return to the comfort of their homes on the same day with the assurance of a quality aftercare service provided by the Day Surgery Team. From January to the end of May, a total of 1,126 day surgical procedures have been carried out, compared to 1,095 procedures for the same period last year.

Mr Speaker, I am equally delighted to reiterate that there have been no cancellations of surgical operations due to lack of beds since January of this year. In the same period there has been a notable improvement in performance figures for surgery at St Bernard's. In the first four months of this year the GHA carried out 161 major surgical procedures requiring in-patient stay –nearly double the number performed in the same period last year. If the current trend continues, the GHA will conduct almost double the number of major surgeries this year compared to last year. As a result, waiting lists across all surgical procedures have been significantly reduced. For example, a patient requiring planned surgery under the care of the general surgeon will now be offered a surgery date approximately four to six weeks later as a

matter of routine. This very welcome increase in the number of major operations carried out is thanks to the increased availability of beds at the Dudley Toomey Ward, enabling it to cater for an increased number of surgical patients.

Mr Speaker, it also gives me great pleasure to announce that GHA has recruited a full-time renal specialist consultant. Dr Simon Lines starts work on 10th July 2017. While he will need time to settle in to his new role, he has already actively engaged with the invaluable and very active Gibraltar Dialysis Association to help him develop a service of the highest standards. This represents a quantum leap in the treatment of 26 of our most unwell patients who have the security of a professional service provided by dedicated and experienced practitioners.

The House will recall that in September of last year the Hon. the Chief Minister and my hon. predecessor opened the new Ayling-Buttigieg Chemotherapy Day Unit, which focuses on the treatment of solid tumours. This includes five chemotherapy stations and is open three days a week.

The management and administration of chemotherapy to cancer patients who are often very unwell and possibly not fit to travel must surely represent one of the fundamental reasons why we would wish to repatriate services and treat patients ourselves with our own teams and with the support and backup of all the clinical services our Health Authority can offer. The Unit is already making a massive positive difference to the lives of many patients, and, just as importantly, to their families. This Unit is a perfect illustration of how a local multidisciplinary service can provide platinum-standard care.

Mr Speaker, the Critical Care Unit is also going from strength to strength, with the number of fully trained staff having risen under this administration. In May 2011 there were 28 registered nurses, comprising two charge nurses and 24 staff nurses, plus two enrolled nurses. Today, there are 30 registered nurses, comprising: three charge nurses – in other words, one more charge nurse than under the previous administration; 27 staff nurses – in other words, three more staff nurses; and one nursing assistant. Every member of the Unit's nursing staff is fully trained, qualified and experienced to work in the high-pressured environment of intensive care, taking care of our most unwell patients.

Not only are the nursing staff fully trained, but many are volunteering for more specialist training to enhance patient care in house. In this respect, four nurses are due to attend UK-based training in haemofiltration, which is a highly specialised and crucial service.

Moreover, Mr Speaker, it also gives me great pleasure to say that to strengthen and work with our excellent critical care nurses, on 6th May the GHA advertised for five new anaesthetists and interviews took place on 14th June. This recruitment will establish an additional tier of anaesthetic doctors. Overall, a team of senior consultants, junior intensivists and an impressive nursing team will further improve the quality of care in the CCU. The new tier of anaesthetists will increase resilience, as two anaesthetists will now always be available out of hours to attend to simultaneous emergencies and emergency surgery.

The elevation in the critical care teams has been enhanced by the raising of clinical care standards. The implementation of the National Early Warning System – NEWS, for short – programme has replaced the Modified Early Warning System. The NEWS is a platinum-standard, evidence-based, clinical assessment tool to monitor patients using observations such as pulse rate, blood pressure and respiratory rate. As these measures change, clinical staff are able to monitor improvement and deterioration in a patient's condition, leading to safer and more timely and effective medical and nursing interventions of acutely ill patients. The NEWS system is now in effect across the whole of the GHA, including the nursing clinics in the Primary Care Centre, and demonstrates how we are embracing the highest standards of evidence-based clinical care.

As the House may recall, the GHA has advertised and is in the process of recruiting two matrons at St Bernard's. Following advice from our clinicians, the position of matron is being brought back to Gibraltar to further improve the patient experience and co-ordinate the changes in systems for enhanced and safe high-quality health care, in conjunction with the Nurse

Management Team. Our health professionals will also benefit, as matrons will provide encouragement and motivation to members of the nursing team and support staff. Further, not only will the matron be an asset across a whole range of multidisciplinary clinical areas, but will also provide a source of information and choice for patients, together with a reassuring physical presence that can make a positive difference when a person is recovering from illness. Matrons will also contribute to patient management, ensuring measures to reduce length of stay and facilitate early discharge.

Mr Speaker, may I, with your leave, take a moment to pause and to reflect on the fact that we are blessed in Gibraltar to enjoy the benefit of the Clinical Nurse Managers, so very ably led by the Director of Nursing Services, Sandie Gracia, and who truly are of the most passionate, committed, dedicated, professional and compassionate individuals I have ever had the pleasure to work with and are an asset to the GHA. I meet with them often, Mr Speaker, and it is always a pleasure to learn from them and to work with them in improving the delivery of healthcare to our community.

Mr Speaker, the House would expect from a Government a medical team dedicated to bringing services back to Gibraltar that we improve on the Sponsored Patients department. I am very pleased to note that our highly competent Medical Director, Dr Danny Cassaglia, whom I cannot praise enough, has introduced a new software system that ensures that all sponsored patients' care is overseen by a GHA Consultant, thereby certifying that patients are being seen regularly and also co-ordinating care with the external hospital, ensuring that patients do not have to travel unnecessarily to Spain or to the UK. I am sure that we all agree, Mr Speaker, that patients who can be medically attended to at home should be seen at home to avoid the unnecessary and additional stresses of travel. It is possible for a medical service outside Gibraltar to wish to continue to see a patient simply because that is the system they run locally, without taking in to account the very tiring experience of travelling for a medical appointment or review, and the stressful experience of being away from home and family while undergoing treatment. To that end, my Medical Director and his team have set up a Tertiary Services Review Board to review the details of every patient who travels out of Gibraltar for medical care. The newly constituted Board, that met for the very first time on 4th May, is comprised of highly specialised and experienced clinical staff who are able to make decisions on where best to provide the optimal care for a patient. Cases are reviewed on an individual basis to guarantee a personal and compassionate review on best care.

As the House may recall, the GHA has introduced a new medical app for its clinicians that enables them to access pathology test results much more easily from wherever they are, on their smart phones and other mobile devices, 24 hours a day. The recently introduced Modulab app is safe, easy to use, password protected, encrypted and follows best practice as applied in other locations. The app provides additional and enhanced means of retrieving information to those methods already in existence and allows the clinicians to directly contact the patient simply by pressing an icon on the app. Additionally, the app will avoid the need for follow-up appointments to review blood results, therefore releasing much needed slots for the general public at the PCC. I wish to thank the GHA's Pathology Services and the GHA IT Management and Technology department, and to congratulate both departments for the great teamwork and successful collaboration that brought the project to fruition.

Mr Speaker, on 18th May the Government published a Bill to amend the Medical (Gibraltar Health Authority) Act to provide for changes in the management structure of the Health Authority. The main change, announced by the Chief Minister during last December's Parliament, is that the current statutory post of CEO will be abolished. The majority of the current functions and duties of the chief executive will be performed by the GHA's Medical Director. The change, we believe, is hugely important for two reasons. First and foremost, it strengthens and cements the policy of the Government that the GHA should be clinically led, whereby the most important decisions and roles, including the chairmanship of the management board, are made by experienced consultant-level senior medical professionals. It

places the post of Medical Director, for the first time, on a statutory basis, which the Government believes reflects the importance of the role. The move reflects changes that have been ongoing within the GHA since the retirement of the previous chief executive, where there has been a gradual transfer of non-statutory functions and duties to the Medical Director and a greater involvement of the Medical Director in other decision making. The Bill also includes changes to the structure and nomenclature of management posts within the GHA. In our view, the Bill establishes clear distinctions between clinical and non-clinical functions and management lines at the GHA. The role of Deputy Medical Director will also become a statutory post to allow for continuity on occasions when the Medical Director is unavailable. The Deputy Medical Director will also be a member of the management board in his own right.

Mr Speaker, in the same way as I said earlier that I cannot praise Dr Danny Cassaglia enough, let me also place on the record that Dr Krish Rawal is similarly a consummate professional and caring GP. We are indeed blessed to have this dynamic duo at the forefront and at the heart of Gibraltar's healthcare.

Mr Speaker, the GHA is in the process of repatriating, as I have said, as many services as possible to Gibraltar so that patients can be treated at home. We are looking to repatriate further services, including more complex urology surgery, vascular surgery, cardiology, paediatric surgery and MRI services. This is likely to occur by expansion of our already successful visiting consultant service and the employment of more specialist work to the GHA.

Mr Speaker, in recent months the headlines in the UK have been about an NHS in crisis. One report refers to NHS surgeons kicking their heels as bed shortages delay operations, with another report referring to babies waiting on the floor at A&E and pensioners on trolleys for over 14 hours. Twenty NHS hospitals in the UK had declared black alerts because patient safety could no longer be assured. As hon. Members know, this, thankfully, is not the case in Gibraltar's GHA. The excellent professionals of the GHA are doing, if I may say, a sterling job for the community and it would be churlish, in my view, for us not to recognise the excellent work and the important investment we have made in the health services of our nation.

Mr Speaker, it was the increasing pressure on beds towards the end of 2016 which resulted in plans to further enhance the bed management system. This was achieved using a three-pronged approach: an active bed management strategy was implemented in January this year and weekly meetings are held with a multidisciplinary team, including a dedicated social worker and provision of packages of care to support vulnerable patients in the community; immediate temporary expansion of long-term elderly care beds by converting the cardiac rehabilitation gym into a temporary ward – the temporary ward has already been decommissioned, due to the successful transfer of our long-stay elderly to Hillside's Dementia Residential Home; the expansion of elderly care provision in the community, including the opening of the excellent Bella Vista Dementia Day Centre in January of this year and the full opening of Hillside's Dementia Residential Home. Further, the Government is presently working to increase bed capacity to John Mackintosh Home at the old St Bernard's Hospital by converting the ground floor into a ward with an additional 16 beds. All of these improvements have resulted in greatly increased average daily bed availability, resulting in an average of 31 daily available beds.

Mr Speaker, the House will also be happy to know that the number of dementia long-stay patients has decreased from 29 patients – 22% – last year, to a remarkable six patients – only 5% – in June of this year.

It is also important to note that since January of this year, even before the transfer of long-term-stay elderly to Hillside's, daily bed availability was around 20 as a result of the bed management structures that have been recently introduced.

As part of the Government's commitment to enhance and improve the services provided by the GHA's Ambulance Service, five new ambulance care assistants have been recruited and will commence employment with the service as soon as their induction training is completed next month. A further three ambulance care assistant vacancies have already been advertised locally and interviews are taking place shortly. The recruitment, Mr Speaker, will enable the GHA to

1110 absorb the responsibilities of the third frontline emergency ambulance service, currently
operated by the Gibraltar Fire and Rescue Service and which also includes the provision of a new
emergency ambulance expected to be delivered by July this year. A second emergency
ambulance unit has also been placed on order and is expected to be delivered by December also
of this year. The arrival of these two new emergency ambulances will allow the Ambulance
1115 Service to a phased replacement programme over the next seven years as advised by our
ambulance team. In this respect, all fleet vehicles will undergo major renovations as required
after five years. After this period, all vehicles will be replaced from frontline duties after seven
years' service, or as required following technical advice. The process will significantly increase
the service's fleet resilience – in other words, high dependency units will be replaced with
1120 emergency ambulances that may be used locally and in Spain and patient transport services will
be replaced with a conventional patient transport service. The existing vehicle maintenance and
renewal programme ensures all GHA's frontline vehicles are apt to safely respond to local pre-
hospital emergencies and also conduct emergency and routine transfers of patients into Spain.
Having all of Gibraltar's pre-hospital emergency response assets under the same umbrella will
1125 automatically standardise training, development and protocols, allowing better co-ordination in
responding and dealing with emergency callouts.

Mr Speaker, the Information Management and Technology team continue to manage the
GHA's extensive computer and network infrastructure, which, due to the opening of the
excellent new facilities at Bella Vista and Hillside, continues to expand and increase in
1130 complexity. Additionally, the team are involved in planning various development programmes in
order to enhance the robustness and security of our IT systems and ensuring that all systems
remain current and fit for purpose.

Over the past year, the department has engaged in the following projects – although believe
me, Mr Speaker, when I say that the list is by no means exhaustive: the chemotherapy suite
1135 installation of telephony and IT equipment; the complete redesign and relaunch of the GHA
website; the excellent in-house developments and improvements of the bespoke sponsored
patients system, the human resources system, the hospital stores inventory and stock control
system, and an estimates submission and management system.

There is a growing need, in my opinion, Mr Speaker, to implement videoconferencing
1140 technologies across the GHA, which is planned for the coming year. This will help to reduce the
number of times patients need to travel to care providers outside of the GHA, as well as
reducing the number of visits from visiting clinicians who will be able to interact via
videoconference rather than having to travel to Gibraltar.

Mr Speaker, let me now move towards an integral part of Government plans towards
1145 maintaining the highest standards of patient care. In my opinion, nursing comprises the engine
of any care and medical service provider. Such is the importance of nursing that without it
service delivery would totally collapse. It is because of this that I am determined to focus on the
provision of quality training and development of our nursing personnel. In order to accomplish
this aim, I will ensure that the School of Health Studies is both physically and financially properly
1150 resourced. The School of Health Studies oversees and approves all education and training for all
GHA staff and works collaboratively with other agencies such as the Care Agency and Education.

Mr Speaker, it was this Government and my hon. predecessor that reintroduced enrolled
nurse training to ensure that nurses who are not on the professional register achieve a high
standard of patient care through continuous education and development. Development of the
1155 Qualifications and Credit Framework are nationally and internationally recognised with the
assistance and support from professionally registered nurses, allowing a non-academic route
into the nursing profession for those with no formal academic qualifications. This ensures fitness
for purpose and fitness for practice. From a career perspective, there are enrolled nurses who
have chosen to become registered nurses through the student nurse programmes where
1160 appropriate: an example of encouraging staff to step on to the career ladder. Numbers recruited
to this programme have increased year on year since the relaunch of the programme from

across the GHA and Social Services. The programme is now 18 months long, with further plans to develop and extend the programme.

1165 Traditionally, Mr Speaker, ongoing training needs of nursing assistants have been limited to induction training and attendance to mandatory training updates. The introduction of the NVQ/QCF Level 2 qualification by this Government has instrumentally transformed opportunities. This approach has allowed those with Level 2 qualifications to apply for Level 3 – enrolled nurse – pathways and subsequently on towards the Bachelor of Science, should they wish to progress even further.

1170 My Ministry and the School of Health Studies believe that we now have a substantive pathway of entry into the nursing profession both for the academically inclined student and the not so academically inclined. The increase in continuing professional development for registered staff is also helping to encourage lifelong learning and there are opportunities to actively encourage staff to consider master's degree level modules.

1175 Mr Speaker, I now turn my attention to a crucial and important subject matter – finance and procurement. The GHA has ended the financial year with, in my view, an unacceptable deficit. My commitment to our taxpayers is that in my first year as Minister for Health the GHA will come within budget whilst improving patient care. My mantra, Mr Speaker, has become to increase patient care at better value for money. To this end I have set up a series of financial control measures in conjunction with the new Head of Finance, Mrs Jessica Montado, who I have to say has thrown herself in the deep end with an enviable degree of commitment and attention to detail. The most salient part of our reforms consist of a monthly meeting held on the first Friday a week after the close of the month, with all Heads of Departments, where we review every single head of expenditure line by line. If any subhead is in deficit I require a full explanation for the reasons and the steps being taken to ensure that the next month will reflect expenditure within budget. In this crucial mission I am ably led by the Hon. Minister Bossano, from whom I am yet to leave a meeting without having learnt at least two things new, and the guidance and direction of the Financial Secretary, both of whom attend these meetings.

1185 Further, Mr Speaker, the House will be happy to know that the Finance department is improving processes, which will deliver better budgetary control and financial balance.

Further still, Finance has introduced automated financial analysis reports, which generate automatically every morning and are currently being sent to all budget holders on a daily basis. The initiative has already had tremendously positive feedback, with budget holders querying items and allocations as well as questioning their budget before the purchase.

1195 In addition, the Finance team are also heavily involved with the Government's current e-Government initiatives, ably led by my hon. Friend the Hon. Minister for Commerce, which aim to deliver an electronic procurement system in a centralised way for the whole of the public service, together with a purchase to pay system and an enterprise resource planning system.

1200 Mr Speaker, a major role of Procurement is ensuring value for money from suppliers in line with procurement regulations. I am pleased to note that there has been a lot of work behind the scenes on the procurement front, where the team have been dedicating the majority of resources into setting up revised and updated measures.

1205 A new stores computerised system is also currently being progressed in house and we are now at the populating data stage of the implementation. The new inventory/stock control system will provide us with a number of various reports on all stock items, such as usage and costs by wards and departments, as well as alerting the section on when to reorder goods.

1210 Mr Speaker, I will now turn to mental health, which during the financial year has seen the mental health in-patient services adapt, develop and progress further as they settle into their new surroundings one year on. The magnificent Ocean Views opened its doors to the public in February of 2015 and the continued development and commitment to service users is clearly evident by the progress and positive changes witnessed. This is only the beginning and a number of positive changes and improvements have been identified – working closer with local health

care and social services in order to develop the forward-thinking service that the community in Gibraltar expects and deserves.

1215 Mr Speaker, in respect of Mental Health Services, which continue to provide consistent and supportive community care for service users with complex and enduring mental health problems, a great deal of work has gone into raising awareness and, in turn, helping the general public develop a better understanding of mental health issues.

1220 Work has also been undertaken in reconfiguring some services in order to improve access to the teams. This has been achieved through increased consultant psychiatrist clinics and face-to-face community mental health staff contacts. This change, in easier access to community services, has seen a 14% increase in this last year in engagement of service users and their families.

1225 Mr Speaker, I am very pleased indeed to be able to reiterate that my Ministry and the Mental Health team are excited with the most recent enhancement to the service, which as from Monday of last week saw the phased introduction of an outreach support component for community patients. The addition to the community services is composed of three experienced qualified nurses and the development of the current service will see the addition of a nursing afterhours on-call service, including a mental health support line which will be available to our
1230 known patients/carers, incorporating a combination of phone and physical presence where necessary; support structures for people moving into sheltered/supported flats in the community from Ocean Views; managing patient case load that require more input or monitoring, increase in frequency of home visits, checking compliance with medication afterhours, on weekends and on bank holidays. The new component will be an addition to the
1235 existing on-call team.

Mr Speaker, the Bella Vista Dementia Day Centre officially opened its doors in January this year. The exciting new development has seen GHA professionals and the private sector working in tandem to bring the project to fruition. The new and magnificent facility, the first of its kind on the Rock, will offer 90 places at any one time. As the House knows, the Dementia Centre is
1240 managed by MedDoc on behalf of the Gibraltar Health Authority.

Mr Speaker, I take the opportunity to thank the project team tasked with the planning and commissioning of this innovative facility. Great attention to detail was taken in all aspects of planning, and special consideration was taken throughout to ensure that not only the facility but also all furniture and equipment, from design to colour schemes, was dementia friendly.

1245 Mr Speaker, it would also be remiss of me not to place on the record my deepest gratitude to the Gibraltar Alzheimer's and Dementia Society for the work that they have done in helping us to furnish the facility, working closely with the project team, and the work that they continue to discharge with so much passion and commitment and the comfort that they give to the families of those that live with Alzheimer's and dementia. Thanks are also due, of course, to all the
1250 charities that have assisted us.

For the purposes of further elucidating the House, Mr Speaker, I add that the first floor opened for full days in February of this year, the second floor in March, and the third floor in April. The service has very quickly been able to assess and integrate those patients who have needed and wanted to, into its programme. There is no waiting list at present for the Day Centre
1255 – referrals are assessed within the week of being made and subsequently these individuals are offered places. At the present rate, the trend is that approximately half of the individuals who are being offered places are accepting. Significantly, referrals are being received from those persons with mild/moderate dementia, which is the target population for a centre such as this.

1260 Further, Mr Speaker, a general practitioner is providing clinics within the centre. Day Centre patients therefore do not need to attend the PCC for their routine appointments. Huge thanks are therefore also owing to MedDoc and their very able team of caring professionals.

Mr Speaker, I now turn to Elderly Residential Services. As the House knows, an entirely new residential facility for persons with Alzheimer's and dementia was opened on 24th April of this year. Hillside is located at the site of the old Royal Naval Hospital and close to the Bella Vista

1265 Dementia Day Centre. The new residential facility provides care and accommodation for 52
patients diagnosed with dementia and in need of full-time, high-dependency, specialist care. The
Hillsides design focused on maximising the comfort and well-being of patients. Features such as
1270 en-suite bathrooms and increased floor area in bedrooms and communal areas were
incorporated into the designs, together with all necessary equipment to give residents the
highest possible standards of care. The construction phase presented many challenges,
Mr Speaker, which had to be overcome, as the original project by the previous administration
envisaged 92 beds, subsequently reduced in number to create a fit-for-purpose facility with
better and more spacious living conditions. Hillsides boasts a fully equipped kitchen area,
1275 snoezelen room and chiropody and other services. There is also a garden area with different
types of flowers and plants for sensory stimulation. All rooms are coloured for dementia, while
furniture has been specifically designed as recommended by our UK dementia consultants. The
soft flooring throughout the building similar to that in toddler parks and signage is also dementia
friendly. Verandas on the various floors have been opened to enhance views and give a greater
sense of unrestricted space to patients. There will be eight beds available to provide respite for
1280 family carers.

Mr Speaker, it would be a gross dereliction of duty if I did not thank Susan Vallejo and the
superb team at the ERS for all of their efforts in bringing yet another milestone project to
fruition under a GSLP/Liberal Government. **(Hon. Chief Minister and Hon. Miss S J Sacramento:**
Hear, hear.) One of the most wonderful aspects of my new responsibilities, Mr Speaker, if not
1285 the most fulfilling, has been the opportunity for me to meet with so many compatriots who
carry their vocation in their heart and their soul and who are always willing to go the extra mile
for those in their care. I cannot praise them enough, Mr Speaker.

As part of the continuous professional development of nursing staff within the ERS, annual
updates on mandatory training are being carried out. In collaboration with GHA professionals,
1290 staff receive continuous in-house training in various areas of nursing for elderly care. In addition,
accredited modules, delivered through the School of Health Studies, have been made available
for elderly care nursing staff. Staff from different areas of the service have, for the first time,
been able to participate in a leaders and management courses. Major training has been carried
out in dementia train the trainer courses. The training has been enhanced with a particular focus
1295 on dementia and Alzheimer's in addition to the introduction of accredited courses in
recreational activities. The ERS has also introduced palliative and end of life courses.

The ERS has seen the introduction of two practice development nursing sisters after having
undertaken training in the UK. ERS qualified staff are currently participating in mentorship with
the GHA School of Health Studies to support the ongoing training of all of our staff. Currently,
1300 ERS senior staff are undergoing training that will qualify them to become internal verifiers and
will allow them to assess and oversee all of the NVQ training. Further, a total of 11 nursing
assistants have joined the enrolled nurse training programme and have developed to qualified
nurses. Four ERS nursing assistants are currently undertaking a degree level course with the
School of Health Studies which will eventually see them qualify as registered nurses.

1305 Further still, Mr Speaker, three GPs have been introduced within the ERS to provide medical
specialist care to all residents. The ERS will also see the introduction of a dedicated speech and
language therapist and an occupational therapist.

For the enhanced safety and welfare of both residents, staff and visitors, around-the-clock
security guard presence and CCTV have been introduced.

1310 Mr Speaker, turning quickly to activities, when we first came into office ERS employed
1.5 activities co-ordinators at Mount Alvernia and one activities co-ordinator at John Cochrane
Ward and Calpe Ward. This administration has increased to five activity co-ordinators at Mount
Alvernia and three for the wards. As the House will know, the cherished residents of our care
homes and the wards have access to a safe outdoor environment across all locations. Outing
1315 activities are numerous and there is an internal health and safety policy in place, the objectives
of which are to safeguard the residents and staff when undergoing outings. The policy sets out

the roles and responsibilities of staff to ensure that residents going on an outing are well prepared, that the loading and unloading of vehicles is carried out safely and that the venue of choice is appropriate for the residents attending. Outings are pre-arranged and only residents who have given consent are taken. Staffing levels are adjusted to ensure appropriate supervision. Staff in attendance always includes a qualified nurse. Venues visited by residents are risk assessed; so are the residents attending. Outings depend on the outcome of the assessments. We also have a bus with wheelchair access, which operates between 10 in the morning till eight at night, to convey residents to different venues. In addition, ERS has allocated a member of the activities team specifically to the second floor of Mount Alvernia, where there are principally residents with dementia. This member of staff permanently organises activities tailored to the cognitive capacities of the residents, so that all residents, independently of their cognitive impairment, can have an adequate activity to their degree of dementia.

Mr Speaker, all residents are encouraged to participate in the outings which are organised; however, there are residents who do not wish to participate and we respect their choice. We also facilitate an extensive indoor programme for residents who are unable or choose not to participate in outdoor recreational activities. At this juncture, I wish to place on the record the fantastic job that the Friends of Mount Alvernia carry out with the residents and who provide assistance when some big outings are organised, and also the assistance provided by members of the Jewish community.

Mr Speaker, in light of the above it would be remiss of me not to highlight that outings under the previous administration in 2010 totalled 35 a year. In 2016, there were a total of 170 outings, which is a welcome increase of 385%. And despite all that we have done, we are not complacent and we are determined to keep developing and improving the services which we provide to our elderly.

Mr Speaker, I turn to the Care Agency and I start with the Adult Social Services. As the House knows, the overall aim of Adult Social Services is to provide the highest possible standard of service and care. Adult Social Services provides and commissions a range of services for different groups of people who are considered to be vulnerable as a result of different health or social care needs.

During the last financial year Adult Services received 627 referrals for social work assessment and support. These referrals are received not only from other professionals but members of the general public who are either self-referring or from relatives or neighbours who wish to raise concerns about a vulnerable person. This represents an increase of 136 from the previous year.

Domiciliary care continues to be provided to assist vulnerable, elderly or sick people at home. The cost of providing care has been negotiated carefully with care providers to deliver the best value-for-money services possible. This has meant an increase in the number of hours available without an increase in the overall cost. At present, 263 members of our community are receiving domiciliary care. Mr Speaker, I am sure that all Members of the House will applaud and welcome the Government's determination to ensure that all our elderly who can continue to enjoy life in the community do so under appropriate and fully assessed packages of care. It is a truism that governments should be measured by how they care for the most vulnerable members in their communities, and by that measure there is no doubt that we on these benches are trying our hardest to guarantee that our elderly and vulnerable community members have the right level of care and support at home. Such a community-centred approach to care also removes what in my view is the evil of our elderly becoming institutionalised in hospital in circumstances where this could have been entirely avoided by a compassionate approach to health and social care. A compassionate approach to social care, Mr Speaker, in fact also makes economic and financial sense, as it is far more cost effective to develop individual packages of care than for an elderly person to become a long-stay patient in hospital.

Mr Speaker, it may well be prudent to pause and note that domiciliary care and support services in the UK have never been free. Most people have to pay something towards their own care and some will have to pay for all of the costs. In the UK, the local council may cover some or

all of the costs of care but they are always means tested. The level at which persons begin to pay for their care is capped at £23,000, which means that in UK persons will not receive free social care if they have £23,000 in savings and property. In Gibraltar, Mr Speaker, as we all know, this is not the case. Persons requiring social care are not means tested and are provided with the free care and support services that they require.

Mr Speaker, moving on to safeguarding, awareness continues to increase every year. In the last financial year, 30 referrals in respect of a range of different alleged abuse of vulnerable people were received and assessed. These referrals have been received from both professionals and also people in the community, clearly demonstrating that the public is becoming more aware of the issues and that it is everyone's responsibility to protect the most vulnerable in our community.

Two additional social workers have received training to become designated risk managers and close working relationships continue to develop and strengthen with all departments involved in these arrangements. An increase in designated risk managers has meant that the number of assessments completed has doubled over the last financial year. In addition to this, specialist training has been undertaken to support people with specific learning needs. This has strengthened the already close relationship that Adult Services has with the Learning Disability Service.

Working relationships with the RGP in the area of domestic violence has continued to develop, including training carried out recently, and expanded throughout the last financial year. Clear co-ordination and procedures from both Departments are now in place in relation to domestic violence cases. The inter-agency procedure makes the multi-agency approach of offering joint support seamless and beneficial to families who experience domestic violence.

Moving on to the day centre at Waterport Terraces, Mr Speaker, I am pleased to note that it continues to provide an excellent and popular service to our senior citizens, who have been involved in a range of different community events. The centre has recently been refurbished to increase the number of facilities available. The service is valued not only by those who attend, but also the carers who are able to leave their relatives in a safe, warm and caring environment, knowing relatives' support needs will be met and they will have the opportunity to enjoy themselves with their peers.

Mr Speaker, the House may recall that the Child Protection Committee was restructured and the composition revised in December last year. The Child Protection Committee is responsible for co-ordinating with the relevant organisations on how they should best work together to safeguard and promote the welfare of children and young people and ensure that they provide an effective service. The Committee is also responsible for the training of all professionals working with children and analysing trends in children's safeguarding issues to advise the Government on the development of appropriate services and resources. The Committee now acts as the Executive Committee and delegates operational functions to the relevant responsible officials.

To ensure the Committee's ongoing professional development, the Care Agency organised a three-day training event, delivered by a senior consultant from Barnardo's in February this year. The programme was divided into three segments. Additionally, the previous financial year, the Safeguarding Training Sub-Committee, comprised of practitioners from the Care Agency, the GHA, the RGP and the Education Department, delivered a total of nine Tier 1 Safeguarding training workshops, where a total of 240 professionals from different departments and agencies were trained; and a total of two Tier 2 Safeguarding training workshops, where a further 29 professionals were trained.

The Child Protection Committee has been working on specific areas to ensure the safety of children. One of these is online safety and, as such, a working party led by the RGP has developed an anti-sexting awareness presentation aimed at parents and adolescents.

Another important area is vetting and members of the Committee have been working with the Ministry of Culture, the GSLA and the OFT, and considered systems on how to ensure all

groups, associations and businesses that work with children are adequately vetted. In this respect, Mr Speaker, I wish to place on the record my thanks to my hon. Friend and colleague, Mr Steven Linares, for the serious work the GSLA has already undertaken to introduce robust safeguarding procedures in respect of registration processes for entities using Government facilities, namely sporting associations, commercial fitness groups and leisure providers. May I also thank Mr Reagan Lima for having picked up the baton in this respect with so much commitment and enthusiasm. I am sure the whole House will applaud all efforts undertaken to protect and safeguard children in the public sphere.

Mr Speaker, Children's Services encompasses all social work with children and their families. The Care Agency's vision, with which I am sure all hon. Members agree, is that children deserve the best start in life. They deserve the best opportunities, as this will undoubtedly influence the decisions and paths they choose later on in their journey through life. I do not think that we can underestimate the critical importance, therefore, of this service.

It is important to highlight, Mr Speaker, that Gibraltar Children's Services, under the leadership of my hon. predecessor, has moved from being a reactive child protection led service to being an active, early intervention focused service. This will have a long-term beneficial impact on children and families, giving them increased opportunities to succeed and achieve, while also having the longer-term benefit of being cost effective, as the consequences and aftermath of abuse costs are great and can be seen in issues related to mental health, criminality, family unit breakdowns and parenting issues.

Mr Speaker, the House will recall that Children's Services has adopted the Signs of Safety model into Gibraltar's social work service because of the positive impact it has on children, families and the general community in areas in which it is already practised.

The Children's team continues to work with between 200 and 250 children at any given time, and received 471 referrals in the last 12 months alone. There has been, however, a significant decrease of 57% in the number of children in need of child protection plans, and I think this is an important statistic as it can be directly attributed to early intervention and family support work that has been conducted with families, meaning that issues have been dealt with in a timely manner at root, avoiding situations for children becoming high risk.

The Government's commitment through Social Services, together with the RGP, Health, Education and Youth Service amongst others, along with the focus on earlier intervention, means that vulnerable families in Gibraltar are being provided with the highest standards of support and protection.

Further still, Mr Speaker, the Children's Services team has evolved towards alternatives to residential care for children. In having the flexibility to organise and restructure teams depending on the needs of the community, the Care Agency has inevitably enabled the deployment of resources to areas of greater need.

During the last financial year, the overall aim has been to reduce the number of children that become looked after in residential settings, as the understanding is that no matter how much training, support, supervision and funding is invested in residential services, children want to and should grow up in family units, which is the best place for them. To have the opportunity to grow up in a healthy family unit is the aspiration for every child and we must do all that we can towards that noble endeavour – I would say, Mr Speaker, towards that human right.

With this in mind, the strategic plan consists of further investing in the Fostering and Adoption Service. The annual awareness campaign recruited 11 applicants for fostering and adoption. The successful training programme for prospective foster carers and adoptive parents guaranteed that the applicants favourably considered domestic adoption and long-term fostering for children in Gibraltar. In this respect, Mr Speaker, we have seen a significant increase in children in foster placements in the last year, from three to nine children, which is a solid 200% increase. There has also been a 60% increase in children being cared for in family placements – that is from 10 to 16 placements in the last financial year. The Fostering and Adoption Service has worked very closely and actively with the Children's Residential Services to

ensure that any children who require care should be placed across placements within family units. The placements ensure the well-being of the child and provides the type of continuity of care only a family can provide. Training has been provided on a number of topics over the past 12 months to social workers, foster carers, prospective adopters and members of the Fostering and Adoption Panel to ensure the learning is embedded into practice.

Mr Speaker, the Therapeutic Team continues to offer a range of specific therapeutic expertise and support. This takes place through their ongoing continued work with the Children and Families, Disability and Probation Services.

The key elements of the Therapeutic Team's service provision for the previous financial year have been: provision of ongoing consultation and working in collaboration with social work colleagues on all cases – a total of 142 clients received ongoing weekly or fortnightly therapeutic interventions and support; individual assessments and evaluations, including court requested reports – these included 45 cases requiring a more extensive, systematic and comprehensive review in addition to the therapy already being offered; a total of 22 clients have undergone the co-parenting programme to address acute acrimony in separation and divorce cases – I know that the Hon. Mr Phillips was asking me about that in a previous answer to questions; a total of 18 clients have engaged and undertaken the Freedom programme, which deals with domestic violence.

Mr Speaker, in respect of Disability Services, the Service has made a great effort to ensure that training is more specialised to learning disabilities and tailored to the specific and current needs of service users. An intensive programme of in-house and outsourced training has continued to provide the staff with professional development. In this respect, there has been an 8% increase in training hours provided in relation to the previous year; and feedback from staff has been very encouraging, with 89% recording a very high satisfaction level.

There are service users who continue to receive consultancy support from Care and Support in the UK. The consultations are organised with a multidisciplinary team, comprising, amongst others, psychiatrist, learning disability nurses and an occupational therapist. During their four visits throughout the year, the following have been devised according to individual needs: positive behaviour support plans, forensic and learning disability assessments, sexualised behaviour guidelines, and pathways and formulations of care. It is extremely important to ensure that the best care plans are put together to best meet the needs of our service users, allowing for a fuller integration into the community.

The Supported Employment Scheme, Mr Speaker, offers sheltered employment for service users of St Bernadette's Resource Centre and the Dr Giraldi Home, and this continues. As of February 2015, there were 10 service users completing employment; there are nine companies involved. To date, feedback has been extremely positive, which is reflected in both the companies' and service users' comments and level of participation. We are very thankful and appreciative of the support provided by these companies and would encourage other employers to consider the value and benefit that their organisation could provide to individuals.

Mr Speaker, St Bernadette's Resource Centre welcomed two new service users in September. The Centre has developed a transition programme for young persons with learning disabilities so that they can begin to be integrated into the care as soon as they leave St Martin's School. This enables a seamless service where support and education continues to be provided.

Afternoon Respite Service from 4 p.m. to 9 p.m. has offered a total of 16,000 hours, and during the same period Overnight Respite Service has totalled almost 14,500 hours, which represents a 57% increase in the amount of afternoon respite and a 4% increase in overnight respite hours, which has enabled service users to enjoy breaks from their families and undertake activities in line with their abilities. Activities undertaken are outings within town, amongst others.

Within Dr Giraldi residential services there have been four admissions during the last financial year and three new flats have been opened and refurbished dependent on the needs of the residents. There has been, Mr Speaker, a move towards flats in the community and away from

1525 the main residential setting. This has enabled the integration of persons with learning disabilities into the community, where they can live within flats in safe and supportive neighbourhoods. And once again, Mr Speaker, in that respect I wish to thank the hon. Lady, Samantha Sacramento, who has been instrumental in moving as quickly as she did to allow us to have properly resourced community flats to achieve the aims I have just mentioned.

1530 Three of the new admissions have come about due to the successful transition programme between children and adult disability services, where those who are known to be moving from one service to another are co-worked between the two services, ensuring tailor-made plans are facilitated and individual moves are consistent and provide continuity.

In November 2014, a Service User's Wishes and Feelings Questionnaire and a Nearest
1535 Relative Questionnaire were introduced. The degree of satisfaction from service users and relatives has increased, importantly. An example of improvement is that in the previous financial year there was 85% satisfaction in the attendance at the Centre, whereas in this financial year 95% of service users have expressed that they are happy to attend the Centre. This, of course, Mr Speaker is very welcome news and reflects the sterling and hard work by my hon.
1540 Predecessor, which she discharged in her stewardship of the Care Agency and her dedication and passion in improving all areas of the service.

Mr Speaker, as a Government we are committed to further protecting and promoting the interests and welfare of persons with disabilities through the development of effective policies and the creation of training programmes for care staff at St Bernadette's and Dr Giraldi.

1545 Mr Speaker, it is simply not possible to name all the excellent professionals at the Care Agency, and so I simply thank all of them for their dedication, commitment and professionalism and to let them know that we all sincerely appreciate their hard work.

Mr Speaker, I turn now to my Justice responsibilities and I start with the men and women who day in and day out keep us safe: the Royal Gibraltar Police. The force is committed to
1550 providing the best value for money to the community and maintaining a fair work-life balance for its workforce, police officers and civilian staff alike.

The report conducted by Her Majesty's Inspectorate of Constabularies concluded that whilst the force faced a high demand load, it did not fully understand its demand profile. Therefore, to best utilise its available resources, the organisation carried out an in-depth needs-based analysis
1555 of its current demand profile. This has led to a major restructure of the organisation's existing resources and the manner in which it carries out business in order to improve service delivery. The organisation has moved away from its long-established four shift system and adopted a new five shift system. The old seven-two working day to rest day split has been replaced with a six-four cycle. Whilst this has meant slightly longer working days, the cycle provides for better rest
1560 periods and adheres to the Working Time Act provisions. Significantly, an element of overlap has been built into the new shift pattern, which ensures more staff are available at times of greater demand, as indicated by the demands analysis.

The RGP will continue to self-assess its demand against its capability and remains committed to working with the Government in pursuit of improving service delivery to the community. In
1565 this context, the RGP is submitting a business plan for further consideration.

Mr Speaker, the force restructure has meant a change in the manner in which the organisation carries out its business. The force fervently believes in keeping the community at the heart of how it carries out its functions, and with this in mind adopted a neighbourhood
1570 policing philosophy and created a Neighbourhood Policing Unit. This ensures that police presence in areas such as residential estates, upper town, etc. is maintained. Uniformed officers are also tasked with conducting focused patrols. These are designed to tackle specific issues in specific areas and at specific times.

The RGP continues to invest in our future generations and therefore has maintained its School Liaison Officers. These officers continue to work closely with schools, youth clubs and
1575 organisations. They deliver talks and presentations to various age groups, covering a broad range of subjects such as stranger danger, cyber bullying, sexting, drugs awareness and binge

drinking. Additionally, these officers deliver seasonal themed talks, which include but are not limited to Halloween talks.

1580 During the last five years, the force has been actively involved in the planning and development of an integrated IT platform across multiple business areas, not just within the RGP. The platform is modular in approach and addresses business areas such as custody, case management, personal history and crime recording. Whilst not an entirely paperless system, it will greatly facilitate the documenting and recording of information. The case management module, for example, once in operation, will see a seamless transition of case dockets from the
1585 the moment they are initiated, through the investigation phase to their final destination at the courts for trial.

Once completely delivered, the entire platform will consist of 15 modules, of which 10 will be in use by the RGP. The other modules will be used by, amongst others, the Office of the Attorney General, Probation Service and the Prison Service. The project is currently in the delivery phase,
1590 with four modules – Occurrence Book, Crime, Intelligence and Personal History modules – already in operation. The next module due for delivery will be the Custody module and the Command and Dispatch module. This will encompass all custody procedures from reception through detection to final resolution.

During the course of the last financial year, the RGP has increased the number of resources it allocates to the investigation of financial crime. In part, these increases are governed by the
1595 MoneyVal requirements. The organisation now has two separate departments investigating financial crime and money laundering: the Financial Crime Investigation Unit and the Money Laundering Investigation Unit. Both units are led by a detective inspector and consist of two detective sergeants and six detective constables. The units also have a terrorism financing
1600 investigation capability.

The Money Laundering Investigation Unit currently has 10 ongoing investigations involving circa £1.7 million. In a separate case already dealt with by the courts, over €10,000 has been forfeited. In addition to this, five other cases are subject to either restraining orders or money has been seized pending further investigations or court decisions.

1605 Mr Speaker, as we all know, Gibraltar sits geographically at a major maritime crossroads. In addition to being a major artery for commercial maritime traffic, the Straits of Gibraltar is one of the main trafficking routes for the movement of drugs from the North African coast to mainland Europe. The RGP's maritime assets are therefore at the front line of the international fight against this illicit activity. Police motor boat crews, together with their local partner agencies,
1610 patrol British Gibraltar Territorial Waters to deter and interdict any such activity taking place. In the final quarter of the last financial year, over five tonnes of cannabis resin valued at an estimated £25 million have been recovered from the sea, and several RHIBs have been seized. The RGP's fleet of vessels is intrinsic to these successes. Despite its purpose-built vessels, however, these operations are not without risk, with RGP officers being regularly exposed to and
1615 having sustained serious injuries in the past.

The fight against trafficking is not constrained to that occurring across the Straits. Earlier this year, the RGP, together with Customs and Port Authority partners, executed a major intelligence-led anti-drug operation on motor vessel Mount Faber. The vessel, currently in Gibraltar for bunkers from Colombia. Intelligence shared by international law enforcement
1620 contacts suggested the vessel had been attached with a parasite container with a substantial amount of cocaine. Following an exhaustive search of the vessel and its hull, the latter requiring the use of specialist diving contractors, the container was found with approximately 108 kgs of cocaine concealed inside. The street value of the drugs was estimated at around £6.5 million.

Mr Speaker, the force, as the House may recall, also acquired several portable breathalyser units and drug wipe test kits prior to Christmas last year. The equipment enables officers to
1625 conduct breath tests on drivers suspected of driving whilst over the prescribed limit at the time of being stopped. Similarly, the drug wipe kits enable the officers to confirm whether a driver has traces of drugs on him, alerting to the possibility that the driver may have been consuming

drugs prior to driving and therefore still under its influence. Whilst individuals testing positive would still need to be further tested at the police station, the tests have reduced the number of individuals arrested on suspicion of these offences and subsequently released when testing negative or under the prescribed limit of alcohol.

Mr Speaker, I know that we are all in this House extremely proud of our men and women of the Royal Gibraltar Police and I wish to place on the record our sincere thanks for their tireless work and for keeping all of us safe.

I turn to the Gibraltar Law Courts. Following recent retirements of Justices of the Court of Appeal, this year we have seen the swearing-in of two new Justices: the Rt Hon. Sir John Goldring and the Rt Hon. Sir Martin Moore-Bick, maintaining the complement of the Court of Appeal at five members.

During 2017, following advice from the Judicial Service Commission, five new Justices of the Peace were recruited and appointed.

As reported in previous years, there continues to be no backlog at the Magistrates Court and the Supreme Court in respect of dates being provided for criminal trials and for civil and family applications waiting for first-hearing dates.

The Gibraltar Courts Service continues to modernise and improve the services provided to court users. Since October last year, court users enjoy the use of WiFi facilities in all courtrooms. The Gibraltar Courts Service website continues to be regularly updated with judgments being available for the Supreme Court and the Court of Appeal since 1997 to date, and since January last year sentencing pronouncements for criminal trials at the Supreme Court are also being made available to download from the website, thus enabling the general public and service users to keep up to date with court decisions.

The Laws of Gibraltar Judgments website continues to be up to date with all reported judgments since 1812 available for download, with future reported judgments to be uploaded subsequent to their publication in the Gibraltar Law Reports volumes.

Organised visits to the Gibraltar Law Courts arranged by the Gibraltar Courts Service in unison with the judiciary remain popular with local middle schools as well as with overseas colleges and universities, where students gain a good insight of how the justice system works in Gibraltar and helps to enhance the reputation of our legal system in respect of external visitors.

The Gibraltar Courts Service is constantly looking at ways in which to improve their services and level of performance, with court users today enjoying a modernised, open and approachable court service through which the public can have access to the justice system. Mr Speaker, I wish to thank the excellent staff at our Gibraltar Court Service, as well as our Justices of the Peace and judiciary.

In respect of the Prison Service, I am glad to say that it has been another generally uneventful year for the Service. The atmosphere within the Prison Service is relaxed and positive. Statistics in respect of prisoner indiscipline remain static at around 2.5 cases per month, most of these being minor infractions.

In respect of population figures, the first two months of 2017 show a decrease when compared to last year, while the subsequent months show an increase. Daily average inmate population figures for January stood at 47 prisoners, down from 57 last year. March 2017 saw an average of 55 prisoners, up from 51 prisoners in March 2016. The average population for the last financial year stood at 53 prisoners, down from 59 prisoners in 2015-16. Between April 2016 and March 2017 there have been a total of nine female admissions and five juvenile admissions.

In respect of rehabilitation, the Prison continues to be well served by professionals offering a variety of programmes to assist offenders in breaking the offending cycle and becoming productive members of the community. Visits by different counsellors and a psychologist provide a valuable service in this respect. Organisations like Narcotics Anonymous that attend weekly are very popular with inmates. Vocational activities, including woodwork and handicraft classes, are typically well subscribed. Sports and exercise is ever present and encouraged by

1680 Prison management. Educational classes are providing many inmates with the opportunity to learn and achieve qualifications in a variety of subjects.

The management of sex offenders has been an area that has seen a considerable increase in resources required over recent years, due to the rise in prisoners committed to prison for such offences. In this respect, the Prison has been actively involved from the outset with the Public Protection Unit. The Prison has four fully qualified designated risk managers who work with sex offenders and produce valuable assessment reports that assist in the management of such offenders once they are returned to the community.

1690 Prison representatives continue to attend the Foreign Office Overseas Territories Directorate conferences every year. This gives Prison management the opportunity to share experiences with counterparts from the other territories and explore common areas, concerns and aspirations.

In terms of industrial relations, Prison management continues to work with staff representatives in a holistic and constructive way. The conclusion of the resource review for the Service is anticipated to further enhance the service that the Prison can offer in the future. This will not only benefit staff but will also allow for the expansion of rehabilitation programmes.

1695 The Prison Board continues to provide a valuable service to the community through their frequent inspections and meetings, keeping Prison management in check and ensuring that prisoners are well treated and that their grievances are heard and addressed.

Prison management continues committed to its core precepts: keeping safely those in custody, looking after them with humanity and encouraging their self-respect; assisting them in leading law-abiding and useful lives whilst in prison, with a view that this is continued once they are released back into society.

1700 The Office of Criminal Prosecution and Litigation within the Government Law Offices is predominantly our Criminal Prosecution Service. As such, criminal litigation has occupied most of its time. Since the introduction of the Criminal Procedure and Evidence Act, there are now increased pre-trial functions required of prosecutors in each case that appears before the court. Disclosure has become quite a substantial item and the sort of case review that is now being conducted by the Office of Criminal Prosecution is much more detailed than it was in the past. The Office of Criminal Prosecution is therefore, Mr Speaker, much better equipped to deal with and manage serious crimes of this nature. Recent convictions have undoubtedly increased public confidence, resulting in members of the public coming forward with historical complaints. As a result, we have also seen an increase in Public Protection Orders obtained.

1710 In terms of convictions generally, Gibraltar compares favourably with the conviction rates of England and Wales.

1715 Mr Speaker, the Office of Criminal Prosecution also works closely with the Care Agency in matters concerning child protection, elderly care services, adoption, fostering and special guardianship. The Office of Criminal Prosecution is represented on the Fostering and Adoption Panel and is also involved in the development of the Overseas Territories Safeguarding Children Committee, where, along with other Overseas Territories as Bermuda, the Cayman Islands and the Falklands, Gibraltar is leading on developing and enhancing several areas of child protection, such as the mutual recognition of orders.

1720 Mr Speaker, I turn to matters regarding legislation and I highlight some of the issues we have dealt with and which we are currently working on.

1725 This year we enacted and commenced the Crimes Act, which fulfilled a manifesto commitment in that it made provision for a specific offence to combat revenge porn. The Act created a new offence of disclosing private sexual photographs and films with intent to cause distress. The Act also updated the offence of meeting a child following sexual grooming by changing the minimum number of communications from two to one, which brings the offence in line with its UK equivalent. Following representations from the Gibraltar Women's Association, an additional offence to target paedophiles who communicate sexually with a child was included. This means that it is now a criminal offence for a person aged 18 or over to

communicate with a child under 16 years old if the communication is sexual or if it is intended to elicit from the child a communication which is sexual. I am particularly grateful, therefore, to the Gibraltar Women's Association for their support in this area and for actively coming forward with relevant, proportional and practical proposals in strengthening our laws. We are all agreed, Mr Speaker, that sexual offences against children are horrible crimes and that it is vital to protect children from falling victim to such abhorrent behaviour.

Mr Speaker, a Bill for a Law Commission was published in March this year. This Bill provides for the creation of a statutory body made up of myself, Her Majesty's Attorney General and experts in different fields such as education, the environment and financial resources, which will be tasked with examining various areas of laws which may either be obsolete due to the passage of time since they appeared on the statute book, or require amendment due to particular local circumstances. As the Parliament will be aware, it is intended that one, if not the first, project that the Commission will be asked to undertake will be to review local sentencing laws to ensure that they cater for the needs of Gibraltar, rather than being tied to sentencing guidelines which have evolved for another jurisdiction with its own particular issues that do not necessarily apply to Gibraltar. As a result, it gives me great pleasure to announce that the following eminent members of our community have agreed to be appointed Law Commissioners: Mrs Justice Prescott, Learned Stipendiary Magistrate Charles Pitto, John Restano QC, Mark Isola QC, Dr Liesl Torres, Dr Joey Britto and Mr Lawrence Podesta. *(Banging on desks)*

Mr Speaker, progress is being made on the publication of a Bill for a Legal Services Act. Parliament will be aware that a formal joint consultation was undertaken last year. We will publish this Bill in July. As a result of this, consultation changes have been made and a further consultation on a draft code of conduct to support the proposed law is being undertaken with a deadline for responses in September. The Bill as currently proposed and the draft code of conduct will affect all persons who provide legal services, including those employed as in-house lawyers. It is this Government's intention that the Bill will become law and be commenced by the end of September of this year.

Mr Speaker, the Government is also progressing substantively on discussions with the Bar Council on reform to the legal assistance legislation. This does not mean that we have stayed still in the interim to address some of the more serious issues that relate to that legislation. The Government has already amended the law to allow for legal assistance to be granted in cases before the Parole Board and also before the soon to be in place Mental Health Tribunal. I very much look forward to pursuing my discussions with the Bar Council to finalise our joint reforms.

Following this Government's desire to ensure that our local judicial decisions are subject to rules and regulations which take local circumstances into account where this is appropriate, this Government will publish in July a Bill for a Damages Act 2017. This will ensure that the so-called discount rate for calculating damages in personal injury cases is one which is appropriate for Gibraltar and not one necessarily tied to the UK. The rate will be set by the Chief Justice after consultation with the Financial Secretary, so as to ensure it is both independent and accurate.

Mr Speaker, I have just relayed to this House the many policies on which we on this side of this House were elected in respect of health, social and elderly care and in relation to justice, and which I am implementing by the good offices and the unstinting efforts, competence, good cheer and enthusiasm of my many teams who are flat out working to improve, to deepen, to better, to perfect and to do more in serving our community. I have mentioned many of them by name, but I cannot name them all in one speech, save to here and now thank them for day in and day out carrying their community in their hearts and minds and going the extra mile to help, to assist and to be of benefit.

All that I have reported to this House, Mr Speaker, reflects the facts on the ground. However, to hear the Opposition's incessant caterwauling, complaining and prophecies of doom – which, incidentally, would make Prince Hamlet of Denmark seem joyous and a violent party animal by comparison – one would be forgiven for thinking that Gibraltar is not the safe, progressive and prosperous community it is in fact. It would seem, Mr Speaker, that the Opposition's existence is

oxygenated by the construction of a parallel and false reality, which, if it shattered like a cheap mirror, would bring down on them the damning realisation, obvious to everyone else in Gibraltar, that they are, certainly in their current constellation, politically finished. The last financial year has been replete with many instances where the Opposition has been caught out in their shrill, inherently contradictory and oftentimes patently disingenuous political discourse; and whereas in the last four years I have avoided preparing a Budget contribution that mentions the Opposition, I think that this year they have been especially solicitous of my views on their performance and on their disservice to the community, and therefore hereby highlight their most sublimely outlandish policies.

Mr Speaker, I start with the Opposition's incongruous position on the parole of Mr Marrache, which they shamelessly tried to milk, only to end up with a bitter taste in their own mouths. The House will recall that the Court of Appeal delivered a judgment in relation to my appeal against the judgment of the Hon. Mr Justice Adrian Jack in connection with the parole of ministers, the main point in issue being whether I had the power to discontinue a set of proceedings commenced under section 54 of the Prison Act crafted by the Opposition when in Government. The Court of Appeal unanimously held that the Minister for Justice does have the power to withdraw a section 54 application prior to its determination by the Supreme Court and that such a construction 'of the law both accords with principle and has practical benefits'.

The background relating to this matter is well known, Mr Speaker. The Board, guiding itself by the law passed by the previous administration, recommended Mr Marrache's release on licence. I asked the Board to reconsider its recommendation. It did so and it confirmed its advice. As I was still in disagreement with the Parole Board's decision, I applied to the Supreme Court for it to determine the matter. The law passed by the GSD administration is silent as to the procedure I had to follow in respect of such an application, and so – rightly, in my view – I followed the legal advice from Government's Queen's Counsel and senior Crown Counsel as to the form of the application. After I filed the application, however, further evidence emerged that dealt with my concerns, and again following legal advice, I issued instructions to withdraw the application to the Supreme Court. On the advice received I was convinced that the legal test in the GSD's law had been met in full. The Supreme Court disagreed with the procedure I had followed and questioned whether I had the power to withdraw the application. The Court of Appeal unanimously determined in my favour.

In any case, Mr Speaker, it is important to note that the Hon. Mr Justice Jack had previously accepted in his ruling that the Government's view was perfectly arguable and that the final disposal of the matter, including the licence conditions, was perfectly satisfactory. The Opposition, unsurprisingly, made no such mention in their politically pernicious press releases; nor did they ever concede the point that in the UK and in all other democracies governed by the rule of law, it is neither extraordinary nor unprecedented for independent judiciaries, like our excellent judiciary, to freely examine and decide upon the use of statutory powers by Ministers. Indeed, it is the right manner in which such differences are settled in a vibrant democracy that holds judicial independence as sacrosanct.

Further still, Mr Speaker, as the Court of Appeal rightly states in its judgment, the appeal raised an important point regarding the powers of the Minister for Justice and duties under the Prison Act. The Court of Appeal has now made it clear beyond any doubt that where a Minister – any Minister – considers that a particular course of action is mandated by compelling reasons of justice or the public interest, it would be 'a dereliction of his duty as a public authority if he did not take the course of action'. In fact, the Court of Appeal stated that in this particular case it would have been counterintuitive if I could not revise a decision on receiving further information. In short, and contrary to the GSD's mean-spirited and poisonous suggestions, I had at all times acted correctly. As a result, for the Opposition in their many press releases to lecture me to the contrary and insinuate that I was not undertaking my statutory duties seriously and that my actions may have had an adverse effect on Gibraltar's international reputation had been shown by the Court of Appeal's judgment to be not just incorrect but misconceived and not just

a little pathetic. Entirely unsurprisingly, the Opposition did not retract their statements and instead issued a press release – a rather touching one, really – expressing surprise that I had issued a press note on the Court of Appeal’s judgment, even though they erected their usual circus tent in this House and pressed us for answers on this case, knowing fully well that the matter was *sub judice* and after I had made the point that I would make a statement at the conclusion of the appeal.

And further still, Mr Speaker, the Leader of the Opposition should know that at all times, even if I had made a wrong decision – we are all human, we all make mistakes, and even if I had made a wrong decision, which it has been determined I had not – it was always in good faith and on the premise of the highest-quality legal advice and evidence available to me. On this premise, for the Opposition to have suggested that I may have received calls for my resignation if the Court of Appeal had disagreed with my decision is shockingly asinine as it is hypocritical because I cannot recall a single occasion where a GSD Minister resigned following a judgment decided against them – and I can think of many decisions which were held against them when they were Ministers and the Hon. the Leader of the Opposition was the Minister for Justice.

Did they think that I or the community would have forgotten that there were various such cases, such as the Privy Council’s decision – the highest court in the UK and all the concomitant expense that that entailed – against the GSD Government’s appallingly discriminatory and unconstitutional policy on the allocation of Government housing in the case of Nadine Rodriguez?

Did they forget, Mr Speaker, that when they were in Government they spent part of our national treasure, over £100,000, in trying to stop a person in a loving and stable relationship from adding her name to her partner’s tenancy, solely on the basis that they were a same-sex couple? Shame on them, Mr Speaker. They spent taxpayers’ money and deployed the full and formidable machinery of the Government all the way to the UK’s highest court to stop a loving couple from enjoying the same rights as other couples because of their petty, mean and dinosaur-like prejudices. These are the values that the GSD represents. (**Several Members:** Hear, hear.)

Or the case –

Mr Speaker: Have you finished?

Hon. N F Costa: Almost, Mr Speaker.

Mr Speaker: Please come to a conclusion.

Hon. N F Costa: Yes, Mr Speaker.

Mr Speaker: Okay?

Hon. N F Costa: Yes.

Mr Speaker: I am going to tell you why in a moment.

Hon. N F Costa: Or the case of Social Services and Joanna Hernandez, where the Government sought to advance the most ridiculous argument to redefine what “a week” means in law, and so despicable were they in their callous litigation against personal individuals that they argued the point all the way to Gibraltar’s Court of Appeal.

It reminded me of a wonderful quote by Groucho Marx that he must have been thinking of this GSD Opposition when he said politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies.

Mr Speaker, Mr Llamas has turned out to be a political gift that has kept on giving, and I was sorely tempted but I will not refer to Dog-Gate, but I must refer to the misconceived statements on the Care Agency's subcontracted workforce, once again in circumstances where I had been unable to answer his questions in Parliament because Mr Llamas did not attend Parliament himself to ask them. Mr Llamas was clearly unaware that investment in Gibraltar's domiciliary care had more than quadrupled over the last five years and that the Government must look at the best ways of maintaining the highest possible standards and providing the best care to some of the most vulnerable members of our community whilst ensuring value for money. It has already been explained to Mr Llamas that care in residential facilities is subcontracted to cover different types of leave and to cater for an increase in service needs. Carers who are subcontracted to work at Dr Giraldi Home do so continuously, alongside Care Agency staff, and are vetted to discharge their responsibilities to the Care Agency's exacting standards. What really was quite something, Mr Speaker, was for the GSD to have suggested in its press releases that the work done by subcontracted carers is inferior when the GSD used exclusively subcontracted workers for domiciliary care. They are just not serious, Mr Speaker! And in any case, the Hon. the Leader of the Opposition also sought to get in on the action by complaining about the number of subcontracted workers at the Care Agency, even though I have explained ad nauseam that all subcontracted workers are carers and, as I explained already, in the UK persons pay for their domiciliary care so surely if the GSD are complaining that we are using subcontracted care then they must be suggesting that we either charge the most vulnerable in our community for care and support because we must therefore employ everybody directly by the Care Agency ... and if that is their position they should come up and say so. What does he want? Does he want the most vulnerable Gibraltarians to be charged? Does he want Government expenditure to increase even more? He cannot have it both ways, Mr Speaker, although they will certainly try.

It is this Government that deeply appreciates the vocational work that care workers undertake for those in our community. The Government recognises that the work is often as challenging as it is rewarding and it is right that care workers are provided with the support necessary to fulfil their responsibilities effectively. As a result of negotiations with Unite the Union, the Government submitted a package of proposals to Unite the Union in line with their original concerns for their consideration and 72% of care workers of those participating in the ballot voted in favour.

Mr Speaker, once again reflecting on the Opposition's un-choreographed tap dance, I was reminded of another delightful quote, this time by Albert Einstein: 'Only two things are infinite, the universe and human stupidity, and I'm not sure about the former.'

And then, Mr Speaker, the Hon. the Leader of the Opposition returned to his favourite political hobbyhorse, GHA morale, and he repeated the accusations that he made on GHA morale. Mr Speaker, we have had the discussion across the floor of the House and the press releases, so I will not repeat it save to just say once again that 61% of doctors said that they were not low on morale.

Mr Speaker, if he wants to talk of an independently verified, scientifically taken poll, then we must refer to the independently verified survey that was carried out at the Gibraltar Health Authority when the nursing section of Unite put a series of questions to allied health professionals, doctors and the ancillary staff. In that staff morale survey, contrary to the one which was an informal consultation where 61% said there was no low morale, asked if staff morale had improved in the new hospital 97% of everyone polled said no; 98% did not think that it was safe to practice and to fill wards and departments at their full capacity with the current staffing levels; 97% did not think that senior management listened to their concerns; 90% did not consider staffing levels adequate. That did not happen when we were in government, Mr Speaker; it happened 10 years after the GSD had been in office and responsible for the GHA. **(Hon. Chief Minister: Hear, hear.)** So when they were in government, 97% of their nurses

thought they were doing an appalling job – and they have the cheek and the temerity to raise a perfectly proper internal discussion, which was leaked, among doctors.

1940 Mr Speaker, I really could say a lot more about the unsubstantiated gossip they bring to this House, the callous concerns that they try to raise, but I think what best summarises my view of the Opposition is that for them it is better to remain silent and be thought a fool than to speak and to remove all doubt. *(Banging on desk)*

1945 And so, Mr Speaker, as I conclude I would like to take the opportunity to thank my wonderful staff at the Ministry: Simon, Zoe, Elizabeth, Louise-Anne, Natalie, David, Kevin, Martin and Evelyn, who do an amazing job.

I also wish to place on the record my sincere thanks, Mr Speaker, to you and to your fantastic Parliamentary team: Paul, Frances, Kevin and Danny, who are unfailingly patient, kind and helpful. *(Banging on desks)*

1950 Thank you.

Procedural

1955 **Mr Speaker:** Clearly I am very sorry, but I have to tell the Hon. Minister that I find it very difficult to analyse and to see what is the relevance of the personal statement that you have made regarding the Isaac Marrache parole case to the estimate of expenditure for any of the Departments for which you are responsible. There is no connection, it is irrelevant, and what you should have done instead is, at the beginning of this meeting of Parliament, made a personal ministerial statement on the issue. That was the time and that was the place for you to defend yourself correctly, but not at the end of a speech on the Estimates of Expenditure. No matter how liberal one is, I find it difficult to see what is the relevance between that and what we are on about. I am sorry, that is my ruling.

1960 We will now have a recess until six o'clock.

Chief Minister (Hon. F R Picardo): Mr Speaker –

1965 **Mr Speaker:** Chief Minister, we are going to have a recess until six o'clock. Please –

Hon. Chief Minister: Mr Speaker, if you –

Mr Speaker: I am very tired.

1970 **Hon. Chief Minister:** Mr Speaker –

Mr Speaker: This morning you asked me whether I wanted to have a break; I did not. Now I need to have a break, Chief Minister. Therefore, we will have a recess until six.

1975 **Hon. Chief Minister:** We will recess –

Mr Speaker: I will allow you afterwards to say whatever you want.

1980 **Hon. Chief Minister:** We will recess immediately, then, Mr Speaker.

Mr Speaker: Thank you.

The House recessed at 5.39 p.m. and resumed its sitting at 6 p.m.

Procedural

Mr Speaker: The Hon. the Chief Minister.

1985 **Chief Minister (Hon. F R Picardo):** Mr Speaker, thank you.

Just on the issue that we were dealing with before the recess a moment ago, I am grateful. I rise to express the gratitude of the Government for the two indications you have given during the course of this debate as to how you would like to see ministerial contributions handled in future.

1990 The practice of the House since I have been a Member has been that this debate is a report, and I say as much in the context of my introduction usually, not just in relation to the number of the estimates, not the letter of the law literally but the number of the estimates that we are looking at, but also a general debate, and therefore Ministers have traditionally contributed in a wider view of their responsibilities rather than in a narrow view of their responsibilities.

1995 In respect of the final issue that you raised in respect of Mr Costa's contribution, the way the Government determined we should respond in respect of that matter was in this debate because of the consequence for the outturn figure of the legal fees incurred in the context of that debate. But we of course entirely accept that your suggestion may even have been a better one and a more topical way of dealing with the issue if we had done it at the beginning of this meeting rather than during the course of this debate, which is so lengthy that indeed many Members are in and out and not everyone may have heard what the Hon. Minister said. So we will certainly bear that in mind next time, that there is a topical issue that relates to cost and is about this time of the year. Rather than simply sweeping it up into this debate we will certainly consider making a more timely intervention as a ministerial statement in pursuit of your ruling.

2000

2005 **Mr Speaker:** I can see that, to the extent that substantial legal fees were involved; I can see the relevance of that. Fair enough. It is a point that had not quite occurred to me. Nevertheless, I will say this: if the Hon. Minister had approached me before the meeting, explaining that he intended to answer criticism and defend himself, I would still have advised him to do so at the beginning of the meeting, make a ministerial statement and get it off your cuff, and then obviously if something arises during the course of the debate on the Estimates, fair enough. Okay?

2010

Hon. Chief Minister: Mr Speaker, it is good advice well received on this side of the House.

2015

**Appropriation Bill 2017 –
For Second Reading –
Debate continued**

Mr Speaker: So, where are we? The Hon. Elliot Phillips.

2020 **Hon. E J Phillips:** Mr Speaker, thank you for your direction and I welcome the comments in relation to the last part of the Hon. Minister's comments in relation to the Marrache case. I thought for one moment we would escape the annual rant of the Minister for Justice, but alas we did not, and I felt that I was almost transported to Bayside Comprehensive again during an A-level literature lesson with Mr Gonzalez. But here we are. Mr Speaker, I also thought we possibly could have been transported to the Globe.

2025

But the relevance of the issue relating to the Marrache case is clearly one of cost, and the parole case. This side of the House has made clear that it expects an answer in relation to the costs of all of this litigation deployed by the Minister for Justice and why he did not feel the need

2030 to instruct able and local counsel in this jurisdiction rather than go to probably the world's most
2031 eminent QC to conduct a very simple administrative question to be put before the court. But
2032 look, he clearly fails to have confidence in the local Bar and I am sure that will be felt quite
2033 extensively by that decision, Mr Speaker.

2034 Moving to more germane matters, it is a privilege to form part of our political debate at such
2035 an interesting time in our history. The political landscape across the globe is moving in a
2036 treadmill-like fashion and we are certainly moving along with it. We are living through a
2037 monumental period in our history and we all face significant challenges as a result of the United
2038 Kingdom's decision to exit the European Union. In addition, our communities face threats to our
2039 peace from extremism. We, as a community, have to be united behind our political leaders and
2040 community leaders against the horrific scenes unfolding in the United Kingdom and across the
2041 world. We must continue, all of us, to condemn the actions of those who would seek to create
2042 fear and chaos on the streets of peaceful communities. **(A Member: Hear, hear.)**

2043 Mr Speaker, we are fortunate to live in a small but relatively safe part of the world and I am
2044 sure that all of us would not want it any other way. We are an accepting, tolerant and peaceful
2045 community, and whilst we watch from afar the terrorism on the streets of the lands of our
2046 cousins, we must remain vigilant always to those who would seek to threaten our way of life.

2047 At this stage, Mr Speaker, I would pause to congratulate all those who work within the law
2048 enforcement agencies and those who work hard to keep our community safe. I would also echo
2049 the words of the Minister for Justice in respect of those who work at sea, who curb the illicit
2050 traffic of drugs and tobacco.

2051 It is right that we had the recent exchange on the question of our security; and, although
2052 there is a different approach and difference of opinion, we hope that the exchange did in some
2053 way remind our community about keeping vigilant.

2054 Opposition politics, Mr Speaker, is not easy, as you yourself will know, and I do not think
2055 anyone on this side of the House who took the oath for the first time ever thought it was going
2056 to be. Being an Opposition Member of this House brings with it huge responsibility to hold the
2057 Government of the day to account and also serve our community in a way which represents
2058 their needs. We promised to work for our constituents, help where we could, but most of all we
2059 promised to listen. Whilst we promote the politics of individual and collective responsibility to
2060 our community, there is no escape from the fact that there remain large swathes of young
2061 people who are distant from politics, a number of them without opportunity. And whilst the
2062 Hon. the Chief Minister repeats his mantra that things could not be better, that is certainly not
2063 what is being felt by many young people that we see and many people that we speak to.

2064 It is right, Mr Speaker, that our agenda in opposition has been progressive and positive, in
2065 stark difference from the reactive politics we are seeing being played out on the Government
2066 benches. Policy by policy the GSD continues to lead and mould the political debate here and
2067 outside this place. We led the debate and supported co-education as far back as 2014 **(A**
2068 **Member: Hear, hear.)** and now the Government follow. *(Interjection)* Well, we couldn't in 2014
2069 for one simple reason: we were not in Government. But anyway ... our Government to change
2070 the age boundaries and changes to key stages were announced by the GSD back in 2014 and
2071 now fully adopted by the Government three years later. Where we lead, the GSLP follow. Next
2072 we will hear, Mr Speaker, that Bayside is being replaced by the stadium project, and Governor's
2073 Meadow and Bishop Fitzgerald will move into the Westside Comprehensive complex. Yes, more
2074 initiatives by the GSD back in 2014.

2075 On providing our young people with equivalent opportunities in skills and training and the
2076 creation of a modern-day apprenticeship, we led the debate, and it would appear from the Chief
2077 Minister's statement on a new style of apprenticeships that the Government are following
2078 where we have led.

2079 On the creation of means testing of Government housing we continue to lead the debate on
2080 that subject.

2080 On public finances we lead the debate by being the advocate for prudence, responsibility and the creation of a Public Accounts Committee. Save for the last point, it would appear that the Government are trying at least to put up a front in terms of prudence.

On ridding our community of a culture of entitlement, promoting civic responsibility and respect, we have led the debate in our community. (**Hon. D A Feetham:** Hear, hear.)

2085 The Chief Minister's intervention yesterday about promoting hardworking people looks as though it was lifted directly from our manifesto at the last election. I suppose we should be flattered by this imitation, happy for the Government to tick off *our* promises.

On sport, again we led with a joined-up agenda which proposed the magnificent development of Victoria Stadium in order to bring football back home.

2090 Where we lead the debate, others have followed. Perhaps that is what Opposition politics is about: challenging the Government, showing them that there is a better way. We will continue to lead the debate in our community in a way which serves the best interests of our community as a whole.

2095 Mr Speaker, the GSD is the natural party of government and many of our citizens are experiencing the false dawns and seeing the significant fault lines and the shaky foundations of the GSLP/Liberal Government. The GSD will always be the party which protects the most vulnerable in our society, because whilst we focus on building an economically and politically stable prosperous community we do so in order to better help those less fortunate in our community.

2100 Participation in politics must be about ensuring that our children can continue to grow up, as we all did, in a Gibraltar which is safe, secure and prosperous. I have said it before, that the principal way in which we provide long-term prosperity for our community is investing in our people, Mr Speaker. Our people ultimately are our only asset and without that investment we will be nothing. We are as strong as our weakest link and therefore we must ensure that we

2105 provide sufficient support for those who really cannot help themselves. That is why my Budget address will focus on the creation of better opportunities and young people.

Much of the work that the Opposition have focused on this year and which we will continue to be focused on relates to that very subject, about creating better opportunities for young people and investing in their future. Our young people need opportunity and a hope for a better

2110 future. The numbers of young people and parents of young people worried about the future and that of their children is shocking, Mr Speaker, and we must do more to provide opportunity and hope for those people who do not see any progression because of the archaic training practices of the Government. Not a day goes by without a young man or woman coming to me or Members of the Opposition complaining of the lack of opportunity, complaining about the

2115 future job opportunities in this community.

We have consistently advocated for the promotion of skills-based learning and the development of apprenticeships. The call from the unions and the Chamber during the election campaign was one. We are on a skills cliff edge and we need to do something about offering young people hope for a better future in the job market. The Government clearly do not agree

2120 with a policy which puts at the centre the objective of creating better opportunities for young people. The Government have at every corner attempted, in and outside this place, to denigrate the policy of the GSD amongst business; I have seen it with my own eyes. The Government's orchestration, namely writing to businesses up and down our streets seeking to undermine our work on apprenticeships, is having the opposite effect. Even today I received a number of emails

2125 copying me in to the letter sent by the Hon. Mr Bossano, who referred to later the 800 letters, and telling me what a disgrace it is to see such a letter being written to them.

Our policy on apprenticeships and a modern skills programme has received overwhelming support from members of the public who remain very concerned about the opportunities for the next generation. I take the opportunity to thank the thousand that support our programme for

2130 better opportunities – a dynamic, progressive and forward-thinking policy which will create a diversified, highly adaptable, trained workforce for the job market.

The Government continually hails the £66 million – or, put it another way, £1 million a month, or nearly £1 million a month – spent since February 2012 on the Future Job Strategy as a success. It is not. It fails to inspire our young people, it fails to provide sustainable opportunity for our young people, and worse still it will create a lost generation of young people devoid of opportunity and hope. It is regrettable that this will be the legacy of the Future Job Strategy.

As I said, Mr Speaker, the Hon. Mr Bossano has spent an inordinate amount of time trying to denigrate our policy, going to the extent of using his own Department for political point scoring. As he said yesterday, he sent out the 800 letters to businesses about our policy. Needless to say, and the feedback I have received today is that they have approached me and one has actually described the conduct as despicable. I am not surprised, Mr Speaker, by that at all. This is the GSLP through and through, a party which purports to represent the worker. They do not. They represent nothing of the sort. The Government's policy is one of simply filling skills gaps as they go along without any thought to how our community will look or where we want to take the community in the future. We must at all costs look towards building a highly skilled, adaptable workforce in the modern technologies. But this is not new. We have continually raised the issue of training at the political level at every opportunity that we can.

Be that as it may, and leaving aside the 800 letters and waste of paper, I was gratified yesterday to hear of another Government U-turn and its new commitment to technical education and apprenticeships. It again demonstrates a recognition and completely vindicates the GSD's policy in this area. We started the debate on the modern-day apprenticeship, which is about learning and not working, and it would appear some on the Government benches are starting to get the message. The Government now, for the first time, has started – and the Chief Minister mentioned it – a new style of apprenticeships, something which the Hon. Mr Bossano has been denigrating for years, and now we see a conversion of some sort. Again, I welcome the Government's U-turn on apprenticeships.

Many hon. Members in this House have been here for many years and I think we were all impressed to hear that this was the Hon. Deputy Chief Minister's 19th Budget address. There are three Members of this House who are just shy of 40 – I believe the Hon. the Minister for Justice, the Hon. Mr Llamas and myself. I note that my old adversary at the Bar, the Minister for Housing, has recently reached a particular milestone and no longer belongs to the under-40s. I wish her many happy returns. **(Several Members: Ooh!)**

But on a serious note, what does this say about the House generally? Why are we not trying to fill some of these seats with younger Members? Is this a reflection of the younger generation's disengagement from political life and service? Engaging our young people at every level of political life is important. We as a community should actively encourage political participation by our young people. Generally, young people are distant from decision-makers and that cannot be right. When I speak to young people, many say that they are simply not engaged or that they simply do not trust politicians. We need to change that thinking through education. I understand that the former Minister for Education was supportive of expanding the Gibraltar Studies course beyond year 3 and year 4, although we need to work within the curriculum. I really do feel that whilst learning about our culture, heritage and natural environment is a positive experience, we do need to understand our development of us as a people and the main players who have built modern-day Gibraltar. I was gratified to see our celebration referendum exhibit – more of that, please, Mr Speaker. I think we need to go further, so that young people can have a wide appreciation of Gibraltar itself and its role in the wider world. If we truly want to encourage wider participation of young people in politics, we must create civic pride, responsibility and respect through programmes which teach our young people about what it is to be Gibraltarian and our values. Young people are important and we must not lose sight of that.

Mr Speaker, I have said that we are fortunate to live in a relatively ... I know I am boring some over on the other side of the House, but I will continue. We are fortunate to live in a relatively safe community, but that does not mean that we do not have our fair share of problems. The

scourge of drug-related crime appears to affect our community in the same way it does others.
 2185 We note the Government's suggestion to take stock and progress made in this area in yesterday's announcement of a summit. Although I do not doubt the commitment by the hon. Lady who has taken back this portfolio from the Chief Minister, we simply need to do much more about addiction and drug-related crime from a rehabilitation perspective.

2190 The Government this year presented the community with mixed signals on the question of legalisation and/or decriminalisation; however, it was clear that the Government has now cemented its views on this important question, and in that regard I recall a synergy between the position of the Government and the Opposition, where both my learned and hon. Friend and I participated in a GBC *Viewpoint* on the subject alongside the hon. the independent Member.

I have spoken at length with addicts and those in recovery, and I am sure that my hon. and
 2195 learned Friend opposite has as well, and the message I receive is that addiction is a lifelong issue that needs a lifelong response for those who are recovering. I know that we have hardworking professionals within the service and we need to harness support right across all Government Departments. Substance abuse and addiction is not only an issue for the addict; it affects the core of family life and its wake can be felt in society as a whole, and the response must be co-ordinated and multi-agency. Over the last five years, various inter-ministerial committees have
 2200 been established to tackle drugs and substance abuse, but what we need now and the message I am receiving is action on the part of those committees.

In relation to the point made by the Minister for Justice in relation to legal assistance, what we need to do and need to ensure is that those who most need to access justice can access
 2205 justice, and I would invite the Minister to make sure that steps are taken to really progress the level of access afforded to those who really need to instruct lawyers.

In relation to prisons, one point I would make just in response to the Minister for Justice's comment that five juvenile admissions had been made at the Prison ... in my respectful view to the Minister, an adult prison cannot be the place for a child; it can never be a place for a child. I
 2210 know that those are sentiments that he echoed when he was sat on this side of the House –

Hon. D A Feetham: On many occasions.

Hon. E J Phillips: – on many occasions, I am reminded, but I think we need to now look at
 2215 ways in which we create a possibility of some alternative to prison for young people. It is not right, in my respectful submission. There are circumstances where they are placed in the adult prison because there is nowhere for them to go. I have heard the argument, Mr Speaker, relating to the use of prisons for young people and the fact that it would be hugely costly to the taxpayer to have a specific institution to house juvenile offenders, but I would ask the Minister,
 2220 if he could, to take a look at that issue. It does affect a number of people, particularly young people, which I think he would agree, and the message that I would like to repeat is that an adult prison is not for a child.

In relation to prisons more generally, I remain convinced that we can do much more than we are doing in the area of rehabilitation of offenders, particularly those with substance abuse
 2225 problems. Reoffending is linked to a lack of opportunity, and whilst those convicted of crimes must make reparation to the community, we must ensure that those with criminal convictions can access opportunity so that they can re-enter mainstream society; a criminal conviction cannot be a lifelong stain on the individual. It is hoped that Government policy on second-chance education may go somewhere in rehabilitating offenders back into the community. We
 2230 need to create further training in and outside the Prison which targets the solid rehabilitation of an offender into mainstream society.

In relation to the Employment Tribunal, we highlighted a number of serious difficulties being experienced by claimants and other service users at the newly reformed Employment Tribunal. Whilst we supported the new regulations establishing the rules and the constitution of the
 2235 Employment Tribunal, it is clear that there are a number of mechanical difficulties and a

significant backlog of cases. By identifying the problem and raising it to a political level it is understood that the Government has now engaged a qualified mediator to deal with the backlog. We welcome the Government's reaction to our press release and we will continue to monitor the situation closely.

2240 One key observation we make is that we continue to make constructive proposals for the creation of a courts and tribunals service. We would invite the Government to think again and look at ways in which we can offer a centralised infrastructure for the provision of tribunals, which will improve the service ultimately to the public.

2245 We in the Opposition have been looking at ways in which the Courts Service could be assisted by the e-filing of court documents, and I know that the Minister talked about, in his address, the ways in which the Courts Service is actively looking at ways of doing things better. As the Government will know, the courts of England and Wales have piloted schemes in relation to e-filing of documents and have now recently rolled out the digital filing of court documents. We would invite the Minister for Justice to look at introducing a system by using existing digital
2250 platforms.

In relation to a question that was posed in the last session of Parliament, we talked about the investigation of major fraud cases and we note from the statistics that were provide that over a third of all major fraud cases were 12 months or older. We would ask the Minister to again take a look at why that is and why do a third of major fraud investigations – which are those that are
2255 over £10,000, as so described to me before, complex major fraud cases – are taking so long to reach either prosecution or at least a determination of that particular investigation.

Mr Speaker, in relation to education, we note the full adoption of GSD policy on education. We will support the policy but we will reserve our position insofar as the practical application and the rolling out of co-education in Gibraltar. The Chief Minister spoke, in his address, of a
2260 214% increase on spending on tertiary education, and of course it is right that we continue to support those who wish to continue their education by taking advantage of further and higher education opportunities, but we cannot ignore the needs of those from whom higher education does not, for one reason or another, feature. This is why the Opposition supports the introduction of industry-designed degree apprenticeships, which are described by the
2265 Department of Business and Innovation Skills in the United Kingdom as an innovative new model bringing together the best of higher and vocational education. More of that, Mr Speaker, in due course.

The Government has promised before, in its glossy manifesto, five new schools – now, I believe, seven. Many are asking questions: where are the plans; how will the Government fund
2270 these commitments, particularly given that the book makes no reference to a provision for it; and how will the works be managed in already very busy areas? All of these questions by the public are genuine concerns, particularly from parents, educators and students alike. Mr Speaker, not one brick has been laid and it is clear that the Government will not be able to build five – now seven – new schools, as it promised our community in 2015.

2275 Of course, whilst building new schools it is important that there are other pressing issues raised by the GTA. We note the existence of a social partnership agreement between the GTA and the Government, and although that should open a framework for co-operation between the profession and the Government, much more needs to be done. I spoke of how important our young people are, and our teaching professionals are as important to the development of our
2280 young people. Our teachers are on the bleeding edge and the front line each day and we need to listen to them more closely and create better working relationships with our teachers. At this point I would like to take the opportunity to thank all teachers for the work they do in shaping our children. I cannot think of a more demanding job than being charged with the responsibility of shaping our future citizens.

2285 Mr Speaker, in relation to the University, we in the Opposition are creating very strong links with the University and hope to create a solid dialogue with the University outside this place. Although we may have concerns as to the level of funds afforded to the University by the

taxpayer, it is fair to say that we have always wished it well. Indeed, we believe that the direction of travel under the stewardship of Professor. Tilbury is the right one and we are impressed to see that there are significant synergies between the Opposition's policies and apprenticeships and we are happy to see the University is looking into areas of development that we have been focused on for some time.

In summary, what I say about the copy-and-paste job of this Government on education and training, this Budget, apart from those measures, and, Mr Speaker misses the point. It fails to provide opportunities to our young people, it fails to provide a strategic plan for the future generation, and what we will do on this side of the House is remain vigilant as to the progress and implementation of these important policies. *(Banging on desks)*

Mr Speaker: The Hon. Samantha Sacramento.

Chief Minister (Hon. F R Picardo): Is that it, Mr Speaker? Well, I suppose he is busy. Mr Speaker, I move that the House do now adjourn until tomorrow at 9.30 in the morning.

Mr Speaker: The House will now adjourn to tomorrow at 9.30.

The House adjourned at 6.29 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 9.31 a.m. – 1.37 p.m.

Gibraltar, Wednesday, 28th June 2017

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The Gibraltar Parliament

The Parliament met at 9.31 a.m.

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

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

Appropriation Bill 2017 – For Second Reading – Debate continued

Clerk: Wednesday, 28th June, Meeting of Parliament.

Mr Speaker: The Hon. Samantha Sacramento.

5 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, this is my sixth Budget address. This year, I rise with a considerably shorter title. Mr Speaker will be happy to hear that this year my speech will also be considerably shorter.

10 For over five years, until the last ministerial reshuffle, I held the Social Services portfolio, a Department that I worked on with great vigour and passion because I do not exaggerate when I say that it needed to be rescued from near disaster after having been neglected for so many years. In this context, it gives me great satisfaction to have handed it over to my successor as a properly structured and resourced Department with a clear business plan and a direction, and more so when I heard the updated statistics from my friend Minister Costa yesterday, as these
15 are all the results of my hard work coming to fruition. I am very heartened by the statistics that he represented.

20 Mr Speaker, my star sign is Taurus, and something popped up on my newsfeed last night on Taureans: it described us as hardworking and focused on specific goals. The safeguarding of children and child protection was one of the principal reasons why I stood for election, so seeing these things that I implemented starting to materialise makes all those long, sleepless nights worthwhile, because I have achieved that goal. In particular, seeing the implementation of the Signs of Safety policies that I set up is wonderful and it is reassuring to hear that it is a success. Incidentally, the other one was that Taureans are very stubborn – that, of course, is also true.

25 Finally, Mr Speaker, when talking of how great it is to see my things coming to fruition, one of my first flagship projects was the residential dementia facility at the old Royal Naval Hospital site. I planned the remodelling of a place that was not fit for purpose to the magnificent facility that it is today. It is just amazing to see all the designs that I had to visualise on paper not only come to existence but also to see it up and running and making such a difference to the quality of life of its residents, something that would not have been the case had I not changed the old
30 plans I inherited from the previous administration.

35 I miss my colleagues at the Care Agency. We have a bond that was formed from working so closely in the trenches – literally, Mr Speaker – in the first few years, when there was virtually no management and very little professional staff. I have no doubt that their good work will continue under the leadership of their new Minister.

 Mr Speaker, let me start with a responsibility that is not actually in my title, which is maybe why it is short! I suppose that there is simply no nice or elegant way of saying that I am the

Minister for drugs, and to say that I am the Minister with responsibility for drug and alcohol rehabilitation services, awareness and strategy and policy development is a bit of a mouthful. But everybody in this place, relevant professionals, stakeholders, service users and those who matter, are fully aware that drugs is my responsibility, and that is what counts. Basically, the point that I am trying to make, for the avoidance of doubt, is that all Government Departments and services that in any way deal with drugs report to me as the Minister tasked and entrusted with this responsibility by the Chief Minister.

I was very pleased to have once again been returned the responsibility for drugs following the last ministerial reshuffle, as this was previously a department within the Social Services structure, as it always has been since the inception of the Care Agency in 2009. Mr Speaker, it must be recalled that this is a therapeutic service and not a medical one.

The Government's view on drugs is clear and unequivocal, and when I say that I say so as the view of the whole Government and not just mine. There is no question of drugs in our community being legalised or decriminalised. We and all our professional advisers are acutely aware of the damage that drugs cause to lives and families, and there is absolutely no evidence to suggest that legalising drugs would mean otherwise. I trust that this reassures the families who may be worried that drugs would be legally available to their children.

Of course I make the distinction between the recreational use of drugs and drugs for medical reasons, the latter which would be acceptable in defined circumstances and where the substance is also licenced.

It is important to recognise the GSD Opposition's support of the Government on this critical issue. It is right that they do so and I am grateful to Mr Phillips for his public statement during his intervention yesterday and that he also recognised the work that I have done on this front.

Mr Speaker, drugs misuse has ramifications throughout all of our community, and that is why the Government employs a holistic approach and we continue to build on the success of our services year on year.

Let me explain, for the avoidance of doubt, to anyone who may not understand what the services of my drugs department entail. There are two services: the rehabilitation services, and the policy, strategy and awareness responsibilities. The rehabilitation service has two strands. It consists of a residential service at Bruce's Farm and the same programme and outreach is now also offered in the community, including prison. Each is able to offer a full rehabilitation programme to suit the specific needs of our service users. All our services are continually reviewed and actively pursuing the best prevention measures and outcomes for those affected. From a strategic perspective, we will continue to develop consistent and unambiguous policies. As a caring Government we must develop measures to reach out and actively target those who need help to overcome the consequences of drugs misuse.

Addressing the issue of addiction is a complex matter because therapy cannot be forced upon anyone. Those accessing our services often present with chaotic and challenging circumstances. We have for a few years now organised very well the co-ordination of a number of agencies so that a holistic treatment programme is in place with timely assessments, psychiatric input, detoxification and a wide range of support services. The programmes have to be needs led and require robust care plans, family support, community outreach support and aftercare. Partner agencies need to provide a seamless service for healthy recovery paths. An overarching principle is that the service user is always involved and at the centre of our care planning process. We aim to empower them to be part of the solution and not the problem.

Over the last 12 months there have been positive developments regarding partnership agencies and how they interact with each other in the interests of our services users. We have instituted enhanced protocols with the Housing Department – and I should expect so, because the Minister for Housing is fully committed with Mental Health because of course the Minister for Health is equally committed – and the Probation Services and the Police and the Care Agency, because of course the Minister is committed. Of course, because we provide a holistic approach, I also work very closely with my colleagues the Minister for Education, the Minister

for Youth and the Minister for Sports. Our protocols are set out on the basis that we all work together on the provision of an integrated rehabilitation and recovery service to provide the best possible outcomes for those on their path to recovery.

Bruce's Farm continues to strive to become a centre of excellence in providing effective holistic treatment and aftercare for people in Gibraltar who access the service. Our robust care plans, which support the recovery process for each service user, are put in place when someone is admitted. The exit meeting, equally as important on completion of the programme, will consider what aftercare is required to support reintegration of the person in the community. This will include, when appropriate, an outreach package of support. The service user is central to the process and attends all meetings having a clear voice regarding their views, progress and ongoing needs. Meetings are now multidisciplinary and partnership agencies each assume ownership of the role that they play in the person's recovery as part of the package of support. This approach is already paying tremendous dividends: 2016 saw the busiest year at Bruce's Farm since its inception; we had a total of 48 admissions where the yearly average in the four previous years prior to 2011 had never exceeded 25. I am proud to state that under my tenure Bruce's Farm has seen its five busiest years.

Many former service users who have undergone the Bruce's Farm programme continue to retain contact and seek assistance through the Community team. Additionally, the Community team provides a focus for any individual who may want to be informed or access our range of services. Importantly, prisoners are offered counselling and assistance as part of their pre-release process. The Community team also offers support and treatment within the community and to those in contact with the criminal justice system. An important part of the team's role is that of raising awareness about the effects of drugs and alcohol and the impact this has on mental and physical health. We will continue to develop awareness campaigns targeting specific issues and sectors within our community, particularly the young people. And I am delighted to announce that one of the priorities in our business plan this year will be to work with the Minister for Education and the Department of Education and our youth services in our prevention through education programme.

Mr Speaker, indeed, I have also just this morning opened a seminar of public servants that has been organised by my highly committed Drug and Alcohol team to mark the occasion of World Drugs Day on Monday. This forum, which was packed, boasts over 60 delegates representing all Government Departments and public bodies who have a part to play in tackling the harms that drug misuse exact upon our community. It will serve to showcase our services among our partner organisations, how we interact with them, and to consolidate and improve, where necessary, all the systems and processes that we have all worked so hard to implement in the last year.

It is important, Mr Speaker, to acknowledge the role that voluntary organisations play, enhancing the work of the statutory bodies. Alcoholics Anonymous, Narcotics Anonymous and Families Anonymous and significant family and friends of the service users all play a crucial role in providing support and services to those at all stages of their recovery. We have developed a close synergy with these voluntary organisations, as a majority of their members are former service users of ours. Regular dialogue occurs, providing support to these groups as well as feedback on how our services meet their needs. Our counsellors will often continue to provide family support and counselling services long after the initial treatment period.

Mr Speaker, I think it is clear that no one, regardless of where they sit in this house, can disagree on the continuing improvements that we have made and continue to make both in terms of the quality and the increasing range of services that we provide.

Turning to Housing, Mr Speaker, we continue to make unprecedented developments in housing on all fronts and at every level. Homes matter to people, and people matter to us.

Let me commence with our most recent notable achievement, and that is the 142 homes that we have recently delivered to our elderly community: our flats at Charles Bruzon House and Sea Master Lodge, which are purposely built for elderly individuals so that they can live at home

independently for longer. These flats have been meticulously designed in consultation with all the relevant experts to incorporate the latest accessibility features, such as colour contrast to assist the visually impaired, spacious layouts to provide for turning circles for wheelchair users, non-slip tiles and panic buttons to name but a few of the innovative features. The Housing Works Agency's painstaking attention to detail while engaged in the snagging process has ensured that the design and construction specifications were exactly adhered to. The building clearly provides a convivial family atmosphere, particularly with the communal lounge areas provided, which I am sure will serve as a venue for many a celebration. Having met the tenants on a number of occasions since they have moved and hearing of their positive feedback, as well as that of their families, all of whom express delight with the quality, design, functionality and finish of these purpose-built developments, I can say hand on heart that this new accommodation represents a valuable and significant addition to existing Government rental stock. **(A Member: Hear, hear.) (Banging on desks)**

The construction of these homes of course has a knock-on effect on the housing waiting lists and we will see the real effect of that very soon. As people move into their new flats, they are vacating larger Government rental accommodation, which has now started to be returned to our stock. These need to go through the process of cleaning and being refurbished over the next few months and this will then enable us to start allocating them to those on the housing waiting lists, so we will see considerable movement of the lists in the next six months, I am delighted to say. I am convinced that this type of accommodation is the best that we can provide for our elderly community; the people from the generation that has done so much for Gibraltar deserve nothing less. And this is how we get vacant flats returned to our stock, so therefore I can very proudly announce that we will continue to construct this type of accommodation.

I can also announce that we are about to commence the refurbishment of Bishop Canilla House before that block which houses so many of our elderly community falls into disrepair. The refurbishment will entail the replacement of the entire roof including the lantern roof, the part enclosure of the balconies and the applying of external cladding system to the façade. The upgrade will greatly improve the overall environmental performance and characteristics of the building. Works have already started on the lifts and will include replacing one of the standard lifts with a stretcher lift and also upgrading the other. And insofar as the other block of elderly flats, Albert Risso House, repair works here are ongoing as we continue to remedy the shortcomings in the design because those who commissioned it did not do so with as much love, care and attention as we did in our elderly flats. **(Hon. Chief Minister: Hear, hear.)**

I am pleased to say, Mr Speaker, that the major refurbishment works to the estates that were forgotten and neglected by the GSD are now in their final stages. These projects show our investment in the living conditions of our tenants as their blocks are enhanced and beautified and these projects evidently contribute to visually transform what was previously a dreary, lacklustre and neglected architectural scenery at Gibraltar's land entry point. To appreciate the magnitude and success of our Government's enterprise, the scope of these projects has augmented, far beyond the original consignment for the refurbishment of the building fabric, to encompass the upgrading of electrical, communications and highways infrastructures that service these estates. These estates – Glacis, Laguna and Moorish Castle Estate – are, as I said, in the final stages of completion and, as I said in Parliament last week, will mainly be completed by the end of this year and some next year. I am very proud of our Government's huge investment in our people, Mr Speaker. **(Hon. Chief Minister: Hear, hear.) (Banging on desks)**

These, of course, are not the only refurbishment works that we are undertaking. Turning to Alameda Estate, the works at Picton House are now almost complete and the preparatory works for Victoria House are well underway with works scheduled to start in the next few months. This will be followed by works to Alameda House, the last block remaining on this estate, both of which will be completed in the lifetime of this Parliament. We have also almost completed the refurbishment of the New Police Barracks. These works have been on schedule and are

practically complete and we are expecting that the three new lifts that we have installed here will be operational next month.

195 Mr Speaker, the tragic disaster following the fire at Grenfell Tower in West London two weeks ago has been very prominent in our minds because one of the contributing factors to the blaze was the cladding. We have, of course, cladded some of our blocks as part of our refurbishment and we were extremely concerned to provide public assurance of the safety of our works. Immediately upon hearing of the fire, I consulted the Chief Technical Officer and the Principal Housing Officer for assurances as to the works on our estates. The Principal Housing
200 Officer and I spent the whole day meeting with all other relevant Government officials and our contractors looking at every detail and can confirm that both the materials and the method used in our cladding systems are different to those used in the blocks in question in the UK and are safe. Mr Speaker, on that day a meeting was convened by the Chief Minister and, following that, we issued a detailed and lengthy statement.

205 I have also set up a fire safety review working group comprised of the top Government officials and instructed them to look into fire safety and prevention measures in all our housing rental stock and co-ownership estates. I chaired the first meeting last Friday, and while I am satisfied of the assurances that I have been given as to the safety of our cladding system, I have also arranged for these to be independently tested and verified in the UK in an abundance of
210 caution. Safety of citizens, Mr Speaker, is of paramount concern to us and we look at every detail to ensure that our tenants are not at risk. I now await the outcome of the report. In fact, today our Principal Housing Officer is at a housing conference in the UK. The theme of the conference has changed at short notice and understandably there is now a great emphasis on fire prevention and themes of this nature are considered in the course of the next few days
215 while the conference is going on. I am receiving daily reports from the Principal Housing Officer, who is telling me how absolutely valuable attendance at the conference is.

Mr Speaker, the refurbishment of our housing estates will, of course, continue. The Housing Department and the Housing Works Agency have jointly devised a five-year plan of refurbishment works, so that the remaining housing stock can also benefit from major
220 refurbishment. We will not neglect our housing stock or its tenants. This programme includes the six remaining blocks at Chilton Court and Edinburgh Estate. With regard to Chilton Court, initial preliminary investigations are being undertaken with a view to replacing the roof covers to two blocks within this estate and these works are scheduled to start next year. Our continued refurbishment will also include external refurbishment to Schomberg House, Stanley Building,
225 Heathfield House, Willis' House, Coelho House, McMillian House, Knight's Court, Vineyard House, Rosia House, Penney House, Belvedere House and Scud Hill House, and external refurbishment and new lifts will be part of the programme at Tankerville House, Harrington Building and Churchill House.

Finally, Mr Speaker, we are currently refurbishing Sea View House in Catalan Bay, and I am
230 delighted to announce that our housing stock at Catalan Bay will not only undergo a refurbishment but a transformation. We will paint our stock in the prettiest of pastel colours to create a marvellous village to be admired and, I dare say, envied by other Mediterranean coasts. (*Banging on desks*) I have already discussed this with my senior housing officials and we are waiting to devise a colour scheme with the town planner, so that it can be put to the residents of
235 Catalan Bay for consultation. Not only will this be a marvellous enhancement of our housing stock, but it will no doubt also make for a magnificent sight for all to admire, including tourists.

Turning to the operations of the Department, Mr Speaker, we have made many changes to streamline the running of the Department and make it more efficient. This has enabled us to provide a faster turnaround to both tenants in the delivery of their repair works, as well as to
240 allocation of flats to those on the housing waiting list. We also work much better with other stakeholder Departments, making the whole process seamless. Furthermore, we have also introduced a paperless billing system as part of the Government's drive for the Thinking Green

Agenda, where the option of email billing is offered, and to date 660 tenants have taken up this option.

245 Of course I must mention the results of our very successful arrears collection strategy. It must be recalled that the housing rent arrears escalated by 600% when the GSD were in office. In March 1996 when the GSD first took office, the balance of arrears at the time was £655,031. It continued to increase year on year until it reached £4 million by the time they left office in December 2011. Had we continued to follow the trend of the rent arrears, had we not
250 intercepted and commenced the execution of our collection of arrears strategy in January 2016, the arrears would today be in excess of £7 million. But instead, I made an announcement last week that the balance of our arrears was below £5 million. Since I made that announcement just under a week ago, I am delighted to report that we have since recovered a further £18,000 and the current balance of rent arrears is £4,977,410 – a remarkable achievement in a very short
255 period of time, even if I do say so myself. (**Hon. Chief Minister:** Hear, hear.) (*Banging on desks*)

Mr Speaker, for the period since the arrears started to accumulate, since 1996, there was a culture of expectation that there would be no consequences for non-payment of arrears of rent. During a GBC interview last week I was asked by the interviewer what I had done to recover the arrears, and when I watched my interview back I had said, ‘Well, I sent people letters,’ and it
260 sounded quite silly when I was hearing it because it is quite incredible that for this period of time people were not even told that they were in arrears, let alone action the chasing of them. To be honest, such a simple thing as sending letters to people saying ‘you are in arrears of rent that need to be paid’ had an effect that really did not have any cost consequences for the Government or the taxpayer; it was a simple administrative exercise that we did.

265 In addition to that we have implemented various strategies which have been very effective, not least the deduction of rent at source for all public servants and the tremendous volume of debtors who have been seen by the people in my Department – they have seen almost a thousand people in this period. People are not entitled to luxuries such as berths at the Small Boats Marina or parking spaces for their cars if they are in arrears of rent, and the point that I
270 need to make is that the Government makes the distinction between people who do not pay rent because they would rather sustain a more luxurious lifestyle and people who genuinely cannot pay rent for reasons of genuine hardship. It is the latter who are not a priority but it is the former against whom we will absolutely enforce, because it is now high time that the taxpayer must be stopped from having to subsidise these luxury lifestyles of people who do not
275 pay rent because they simple do not want to and because they think it is acceptable because they have been getting away with it for so many years.

I am grateful to the GSD, and Mr Clinton in particular, for their acknowledgment of the progress that I have made in the recovery of the rent arrears – thank you. (*Banging on desks*)

280 Finally, Mr Speaker, turning to a matter that so many in our community have been eagerly awaiting, and that is of course the announcement on the construction of further affordable homes. There is of course a lot of mischief making by the Opposition benches because they love to do that when we make announcements that are so good and so significant and important to the people of Gibraltar, and they are loving the fact that there has been a slight delay in making announcements on this front. But nothing needs to be read into this. There has been a delay due
285 to technical reasons of infrastructure. Infrastructure is an important preliminary issue and we wanted to get every detail right before making any further announcements. This may affect the footprint of the new development to some extent but not in a way that will be disadvantageous. I expect that the technical advice and the administrative process will be complete before the end of this year and I am delighted to announce that we will be in a position to have started the
290 process of selling our new flats and give so many people the opportunity to be homeowners once again. I will be in a better position to make a more detailed announcement in September.

So, Mr Speaker, after that very important announcement on progress, it just leaves me to thank the Principal Housing Officer, all my staff at the Housing Department, particularly those who have been instrumental in the collection of rent arrears, the Housing Works Agency and

295 also LPS, GRP, GJBS and all the small building contractors who now undertake the household repairs and refurbishment works. A special mention to my PAs: Daniel Payas, who is actually at the Island Games in Gotland and has received quite a few medals already (**Two Members:** Hear, hear.) (*Banging on desks*); and to Krystle Acolina, who despite a very important milestone in her life next week is also in the UK accompanying the Principal Housing Officer at the housing conference. Despite their very junior grades, they are literally my right and left hands when it comes to housing and I wish to thank them. (**A Member:** Hear, hear.)

Mr Speaker, finally turning to my last portfolio, that of Equality, what a wonderful progress and a magnificent year for equality in Gibraltar this year has been (**Two Members:** Hear, hear.) (*Banging on desks*); I really could not ask for more. I take great pride in being Gibraltar's first and only Minister for Equality. It was the foresight of our Chief Minister who recognised the importance of equality matters and the importance of having a Minister and a Department dedicated to developing the equality agenda, (*Interjection*) and I wish to give the Chief Minister my heartfelt thanks both for doing it and for allowing me the continuity to be able to complete all the tasks that I had set on my agenda. But I really need to credit the tremendous progress that we have made in this year to my excellent and fabulous new team at the Ministry of Equality. This is headed by Sabina Guillem and her two officers who have joined our team very recently, had no previous experience of matters of equality but have truly embraced the principles. Really, I can literally say that not only is my Department running with the concept, they are flying with it, because the outcomes that we have had in the last year are the most positive that we have and I am tremendously proud of their work, their progress and how they are assisting all our other Government Departments in ensuring that the Government's equality agenda is met.

Mr Speaker, as you will recall, last year we passed in this House an amendment to the Marriage Act to enable people of the same sex to get married. This was a manifesto commitment that we had to consider the principle. It was something that was obviously very important to the community, something which we consulted on extensively – in fact it was the consultation that had generated the most response and the most interest – and a group of Ministers appointed by the Chief Minister to consider these issues spent a lot of time considering all the individuals' and groups' points of view. We came to the conclusion that we did; I am very proud that we are where we are and we have made the progress that we have on that front.

Mr Speaker, the most progress that we have made on the equality strands this year, and which was a priority in my Department's business plan, is of course on disability equality. The passing of the Disability Bill is imminent before this Parliament and will be undertaken as soon as the parliamentary diary and commitments permit. In the meantime, because equality and diversity and particularly disability equality are not just about a legislative framework ... Of course our new law is important and I cannot wait for that debate in this House, but perhaps more importantly than the legislative framework is the information and awareness that we have invested in delivering, because for the legislation to be successful we have to ensure that we win the hearts and minds of our community and we have to make sure that our community embrace the principles of disability equality, because that is the only way that our law will succeed.

Gibraltar is an extremely caring community and as a Government we have been leading from the front. We have set the benchmark and have been the role models to ensure that we are setting the standards for disability equality. In the last year I think I have probably lost count of all the training seminars and workshops and awareness days that the Ministry of Equality has provided to our community, both to managers and professionals in the public sector as well as to people in the private sector. I really have to thank the Chamber of Commerce and the Gibraltar Federation of Small Businesses for embracing our initiatives and supporting them throughout. They are an essential part of the puzzle in the delivery of our mandate of inclusion and I am tremendously grateful to both chairs for having met with me, discussed it at length and supported wholeheartedly our awareness events.

Mr Speaker, the strategy in relation to disability equality I would say has three strands in terms of awareness. We can break it down into the physical accessibility to environments and we have provided training to professionals to ensure that they are aware and buildings are accessible to people with disabilities, because as my hon Friend Minister Balban explained yesterday, shortly after we pass the Disability Bill we will be changing the building regulations to introduce part R, which will mean that all new buildings and any buildings that require refurbishment have to be completely inclusive to people with disabilities. So we have provided, for the last four years, training on that front to make sure that we have done enough in terms of capacity building so that when the time comes and the new legislation is introduced everybody is equipped to understand it and process it properly.

We have also been delivering training to frontline staff on how to communicate with people with disabilities in a way that is respectful – and we call it disability etiquette, Mr Speaker – because we need to make sure that people who are delivering services to individuals with disabilities do so properly, and that is what will make it truly inclusive. We also have a particular training on autism, which we provide at a professional level to those who work with people who are on the autism spectrum: professionals at the GHA, the Care Agency and the Department of Education. But more importantly we have devised a programme delivering support information and training to parents. We had our first session a few months ago and it was tremendously popular and was welcomed greatly by parents and the societies, and we have a schedule of further training for parents organised for the autumn.

Mr Speaker, before I turn to another equality strand, I cannot thank enough the groups and societies and individuals who come and see me and with whom I consult when we are preparing our policies, because of course our stakeholders' advice and their guidance is absolutely essential so I really wholeheartedly wish to thank everybody involved.

And of course, Mr Speaker, the final strand of equality that I wish to speak on is that of gender equality. In our business plan this year we have concentrated a lot on disability equality because of the new legislation that we will be introducing and I wanted to make sure that everything was in place. Once that starts to settle down in the next few months the Department will turn its attention to really focus and develop gender equality in the same way. You may recall that earlier in the year, in March, I announced a working group to look at issues of the gender pay gap and women in the economy. That is a study that of course is very involved, will require resources, but it is something we are very keen to develop and to finish because we have to make sure that the equality agenda continues to be rolled out. When I am speaking of this I am reminded of the very kind words of my good friend the late Juan Carlos Perez, who at the end of November when I was selected as a candidate for election for the GSLP, he was the one who broke the news to me in these words – he called me up and he said, 'Samantha, a woman's place is in the House.' (*Banging on desks*) I will always remember those words, Mr Speaker, because one of the things on my agenda is clearly for there to be more diverse representation of our community in this House.

Continuing on the theme of gender equality, the final topic that I wish to speak on is that of domestic abuse. The Ministry of Equality deals with this at a strategic level. I chair a working group of multi-agency professionals, the work of which is ongoing, and we look to see how we can support victims of domestic violence and how we can work with perpetrators of domestic abuse with a view to breaking the cycle, and of course in circumstances when children are involved, ensure that they obtain the proper support.

The final point on equality is that I would like to mention my role as Chairman of the senior management board of MAPPA. MAPPA is a multi-agency public protection forum where we deal with the management of sex offenders in Gibraltar. This is a very serious matter, one which we have invested in heavily in the last three years to ensure that the Gibraltar public are protected and also, and importantly so, that our professionals work with the perpetrators in the prevention of further offences, thereby minimising the risk. Mr Speaker, I am very proud of the developments and the works that have been undertaken by my Department in this regard, and

by of course all the agencies that sit on the senior management board of this committee and also the people on the front line and the people at middle management of the MAPPA structure, which is understandably very complex.

So, Mr Speaker, to round up it just leaves me to thank incredibly my personal staff in my private office. They are the people who look after me day in day out, ensure that my work is done, ensure that I get to places on time – and if I am late it is entirely my fault, not theirs, but it is usually because I have to be in two places at once. I have, I am delighted to say, a truly excellent, dedicated, hardworking and loyal team. I could not be happier with the people I have around me and the work that they do not only for me but for the community which I serve. Yes, Mr Speaker, I am very lucky indeed.

At this point I would like to thank Albert Bruzon, who very recently retired, and I would like to mention the effect that the Opposition have had in Mr Bruzon's retirement, because they have been *playing* politics. We are in this House to *do* politics, not to play politics and not to play with individuals. Mr Bruzon had to retire ... He did not have to retire, but he retired from his previous post on account of ill health, and a few months later when he recovered he returned to public service only temporarily for a fixed period at a lower grade and only for a few days in order to assist me to see particular projects through. Mr Bruzon, who is a longstanding, very loyal and dedicated public servant, a person who has dedicated his career to the public service, did not deserve to be named by the GSD so publicly in the way that he was, and I wish to publicly thank Mr Bruzon for his dedication to the public sector, to the Civil Service and for the work that he has done with me over the years. He has worked very diligently and I dare say even very protectively of me, and I am sure that he has always delivered such diligence, loyalty and hard work to all the Ministers he has worked with.

So, Mr Speaker, on that note, once again I wish to thank everybody who has helped me in the last year – my staff, people who I see, people who I consult.

Mr Speaker, that was 45 minutes – I hope you find that acceptable. Thank you. (Banging on desks).

Mr Speaker: The Hon. Lawrence Llamas.

Hon. L F Llamas: Mr Speaker, I rise to deliver my second Budget speech, focusing on care and tourism. I will once again strive to provide my humble opinion of Government's performance, whether good or bad.

Last year I dedicated a great deal of my address to the Disability Bill. Although this Bill has not been presented to this Parliament, I trust and hope that it is imminent and I shall be debating the detail and merits of the Bill at an appropriate time. For the time being, I shall say that it adopts more principles of the UN Convention on the Rights of Persons with Disabilities 2006 than the Command Paper published in October 2015. It will reinforce some of the basic human rights enjoyed across society as being rights equally to be enjoyed by anyone with a disability. But the work is not complete; further work must be done to extend the full definition of equality to all members of our community, creating a truly equal and inclusive Gibraltar.

Last year, I took the opportunity to congratulate the Government for making public areas such as playgrounds more inclusive; however, despite welcoming a refurbishment to the playground at Europa Point, it is regrettable that persons with disabilities are still not catered for at this playground. I hope the Government will rethink its inclusion policies in playgrounds and add disability-specialised equipment when reviewing our playgrounds in the future.

The Government has over the past year increased its capacity in full-time care for adults with disabilities. It has increased the number of flats from six flats as at December 2015 to the 11 flats which we have today. I understand that the majority of the additional flats are actually within our community, and as such commend and applaud the Government for this initiative. However, I continue to have concerns. Over the past three years we have seen a surge in subcontracted staff, of care workers, such that the service is split on an almost 50-50 basis between directly

employed employees and subcontracted workers, with most of the new flats dependent on subcontracted workers. Mr Speaker, service users are there for the long run, they are not there for the short term, and with this policy we need to recruit ... If we have long-term service users who are going to be in their flats for a long time, we need to cater for them with a long-term vision. I do not necessarily disagree with having subcontracted staff, as long as the conditions which they have offer them stability and a secure job with working hours and a contract in order to enable a worker to plan a career and a life, but more importantly provide a continuity of care for the service users, who are the priority in this equation – especially if they claim they have record surpluses.

Domiciliary care, a policy properly initiated and developed by this Government, a policy which I fully support, is also heavily reliant on subcontracted workers ... actually, I think it is 100%, and these subcontracted workers are on zero-hours contracts. We must remember that in times of care one's dignity and vulnerability is fully exposed. The relationship with carers should be a constant and special one, one cherished between the parties involved. However, I am concerned as to the real effect of the care in this sector due to the lack of continuity of care.

Last year I also congratulated the Government for the inclusion in the Estimate Book of Project Search. Only last week I asked the Government what inroads had been made with regard to Project Search or any similar supported internship projects. Minister Bossano replied: 'There has been no further development of Project Search or other supported internship model.' Thankfully, Minister Cortes knows otherwise and has acknowledged and launched the project, a step in the right direction. I now urge the Government to grow and broaden its approach in order to tackle this adequately.

Now, Mr Speaker, I would like to deal with the lack of prioritisation given by this Government to St Martin's School and Early Birds Nursery. Before I make the point, and in expectant anticipation of the 'blame the GSD' chief ministerial tirade when he exercises his reply, let me remind him that he has been in Government since 2011 and is therefore ultimately responsible for the situation this school is currently facing. In 2012-13 the number of students stood at 48. There has been a steady increase year on year in student intake with a sharp rise in the coming intake for 2017-18 of 66 students, a percentage increase of 37.5% on this Government's watch. Delivering a new school should have been a priority; instead, these incoming children will have to be taught in the deplorable surroundings of portakabins placed on a small car park. I say this in light of a Government that has tried to make cheap political points on this issue. Yes, the GSD did not have this in its manifesto, but I can assure you that I would have yelled from the rooftops if our team had been elected into government and not prioritised the refurbishment of a school in need and done a refurbishment of No. 6 at £6.5 million or the Small Boats Marina at £25 million instead of catering for those most in need of our care – and they claim to be a socialist Government. It is indefensible and shameful and will be a shameful black mark on this Government's tenure in office. St Martin's school is also in need of a new bus. The Government knows this and committed itself to providing it in last year's Budget. Nevertheless, a year on and there is still no bus and no mention of when this bus will be delivered.

It is, however, commendable to both the Government, for offering courses, and teachers who have taken the offer of undertaking courses in special educational needs. SEN is on the rise and we must ensure we learn and adapt to provide the best educational platform possible to ensure we maximise students' potential.

Moving on to tourism, a sector which has so much more potential but is still not being given the priority it deserves, we need to build strong foundations in this area in order to stimulate economic activity which is viable and enduring, particularly in the post-Brexit environment. The tourism sector is doubly important as it is intertwined with the offering for our community, and we should endeavour to ensure that our offering is available to tourists as well as our citizens. A good starting point would be, for example, the World War II Tunnels, which are still closed on Saturday afternoons and Sundays. Gibraltar must become a viable destination beyond a cruise call or the off-chance day tour because you happen to be within our proximity. We really need

to wake up and smell the coffee. The tourism sector should not be operating, as we have been operating for years, on an April-to-October season basis. All around the world tourist destinations are trying to level out the peaks and troughs in the tourism sector. This can only be achieved by maintaining and provide an offering all year round. We have to broaden our product. We have to professionalise our sector and raise the bar. Post-Brexit our tourism sector is bound to change our market, but we have a rough diamond the size of the Rock. A year has already elapsed and we are not in a much better position than where we were last year. We need to be ready for this change and pre-empt the change, develop the markets which will boost our economy, embrace the best we have to offer together with other markets in our proximity which could work in tandem. I acknowledge and support the Minister's recent trips to Morocco and look forward to seeing the fruits of such visits.

Mr Speaker, I fully agree and support the business-related tourism through Meetings, Incentives, Conferences and Events – otherwise known as MICE – the Government is embarking on. It has the potential of leading in the tourism market and providing a new niche with great economic returns. However, we need a round circle product – visitors want to work and play – infrastructure and technology to energise the visitors and thrill-attractions which create the platform required. WiFi hotspots, although located in key areas, are limited in websites users can access. We must ensure to provide further connectivity to all sites, as encouraging tourists to share and post their visit to Gibraltar will certainly boost the #visitgibraltar.

Wedding tourism plays an interesting role in our market. This market can grow further, but we need to ensure that our product is up to standard. Our Registry counter looks so outdated and is crying out for a refurbishment; sadly, it does not provide a good first impression.

And talking about first impressions, Mr Speaker, we seriously need to address our first point of entry via sea, but more importantly via our border with Spain. Apart from its outdated image, it lacks maintenance therefore making the area look unclean.

Mr Speaker, we also have been approaching the summer bathing season as a mid-June to mid-September season. I acknowledge that the battering storms we experience may provide hurdles, but these are no less than hurdles faced by the coastlines in the Iberian peninsula which are open for business all year round, and they bounce back from storms within an appropriate period. A year-round maintenance policy must be implemented sooner rather than later. The official summer season deadline to restore most of our beaches to bathing conditions has elapsed and we are still seeing last-minute works being carried out on our beaches – without mentioning Camp Bay and Little Bay, which have been left very much wanting and should have been tackled a lot earlier as they look a complete mess.

We must consider and respectfully value and analyse the tourist experience in Gibraltar. What are tourists seeing, experiencing and living? What image and memories are they taking with them? We must be monitoring and assessing by looking at statistics which the Minister for the Environment does not see the need to obtain. The need is vital to assess the movement of tourists in the Upper Rock, to see how tourist sites are performing, to monitor their performance and the historical lesson being taken back by tourists. I can assure this House that it does have its value, as I dread to fear that many just come to the top of the Rock to admire the view – but it offers so much more. I do have my reservations as to whether tourist sites and beaches, fundamental pillars in the tourism sector, should be managed by the Environmental Ministry rather than the Tourism Ministry.

In the Upper Rock there has been a great deal of work carried out, more notably the suspension bridge inaugurated last year and the glass look-out, which unfortunately has not opened in time for this year's tourism peak. However, in the meantime there are serious hazardous areas in the Upper Rock which are in so much need of refurbishment and should have, in my opinion, been prioritised, especially in light of a surge in walking visitors.

We have also seen an investment of £135,000 in O'Hara's Battery, an attraction which has been closed since October 2016 and Government have been unable to commit as to when it will be open. This is one of the works from a £1.3 million-worth of works which have been awarded

without proper local procurement directives being taken, as highlighted by the Principal Auditor last year. The reason for its permanent closure is lack of manning levels; however, within the same breath the Government deems fit to spend £19,000 on street art, which they claim to be a tourism initiative, but does not have the capacity to open O'Hara's Battery. The Government have simply not been able to match the cart with the horse.

I look forward to the focus the Government will be giving to urban regeneration from a tourism perspective and would expect to see tangible results from this project in the near future, given the Government first announced this back in 2013.

I note with delight the increase in air connectivity resulting in record-breaking records in the number of passengers handled by the air terminal. The positive impact on recurrent aviation fees is encouraging, with an increase of £1.2 million for 2016-17 and an increase of £1.5 million estimated for 2017-18 when compared to 2015-16 – an increase of 33%, an additional £2.8 million of recurrent revenue over two years. I also note the cruise industry breaking records in 2016, and scheduled to have an even better 2017.

Mr Speaker, unfortunately the same cannot be said about our land visitor arrivals, which continue to drop from a 11.4 million record in 2011 to 9.4 million in 2016. This represents a 17% overall drop in five years.

The increases in volume of passengers travelling by air and sea have simply not been able to restore the tourist expenditure with the estimate for 2016 standing at £211.91 million, still 24% lower than the figure as at 2011 when the increasing trend of tourism expenditure reached a historical record of £279.79 million. In 2012 the figure dropped by 12.5% to £244.75million. In 2013 it dropped by a further 15% to £207.24 million. In 2014 tourism expenditure hit a 13-year low of £168.04 million, a staggering 39.94%. How does this generally affect Gibraltar PLC? Well, Mr Speaker, it translates as a potential loss of at least £367.08 million in tourist expenditure since 2012 to date had the expenditure levels been maintained.

The revenue collected by the Upper Rock Nature Reserve has also fallen, from £3.26 million to £3.07 million, a fall of 5% despite an increase in the number of visitors to the Upper Rock of 13.5% from the previous year. Since the foreign vehicle ban in the Upper Rock, the method of travel to the Upper Rock has naturally changed. When comparing 2015-16 to 2016-17, cars have reduced by 99%, coaches have increased by 10%, taxis by 38%, walkers by 80% and cable car by 20%. Despite the transport sector directly benefiting from the policy, there is one sole transport person or company which has failed to pay £108,000 in entry fees.

I understand that our official tourism website is being reviewed. I must say that it is regrettable that it is not being expedited. The same can be said for the Upper Rock Nature Reserve app. I would not have envisaged this to be a monumental task or to take this long and would have expected a simple bridge-over of issues, such as the possibility to download a brochure that could have been added in the interim.

Last year I also highlighted the Europa Point waste ground by the lighthouse, an eyesore which we have endured for the last seven years, and rather than spending £25,000 on providing a 'dog park' at the Alameda Gardens it is my opinion that it would have been far more useful to have landscaped the Europa Point waste ground and put that money to better use.

Swiftly moving on to the Port, despite bunkering going up and cruise liner passengers going up, the recurrent revenue for the Gibraltar Port Authority is estimated to go down in the current financial year by 1.9%. I note the Gibraltar Port Authority has been actively involved in attending seminars and conferences abroad, thereby raising its profile internationally; this can only be of benefit to Gibraltar PLC's future in this sector. Last week, the Minister for the Port announced he will be extending compulsory insurance obligations to all vessels in Gibraltar. I have been highlighting the issue for some time and welcome this policy measure.

Finally, Mr Speaker, I would like to thank you, the Parliament staff and all civil servants who ensure that Government answers are put together in what are sometimes lengthy, time-consuming answers during Parliamentary sessions. *(Banging on desks)*

Mr Speaker: The Hon. Steven Linares.

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): Mr Speaker, this is my 18th Budget speech and my sixth as a Government Minister.

I will begin my speech by giving a synopsis of what has been achieved in the past year in relation to Culture. As it is now known, when we entered into Government we found the mess that was concocted by the previous administration weeks before a General Election in relation to the Gibraltar Culture and Heritage Agency. The replacements and reforms that we have undertaken have proved now for the past three years to be not only the right decision but also a great success. The formation of Gibraltar Cultural Services and having the Ministry of Culture running different events has gone a long way in promoting, enhancing and developing our local culture to the rest of the world.

In conjunction with the Gibraltar Tourist Board, the Gibraltar Literary Festival was organised as part of the events-led tourism initiative. This event, now in its fifth year, has proved to be one that has given Gibraltar the academic as well as cultural profile comparable to any literary festival held in the UK or elsewhere. In fact, we have given the GLF our own local flavour. It has brought to our shores many intellectuals, writers, commentators and others, giving the GLF a unique prestige.

The annual Drama Festival held in March 2017 was the biggest to date with 17 entries, a whole week of theatre. We now see international drama groups participating from the UK and from Spain.

GCS have started work on a major retrospective exhibition for January 2018 that will celebrate fashion design in Gibraltar. This is part of our ongoing cultural development initiatives.

The same can be said of the Gibraltar World Music Festival, which we sponsor. This festival is now being commented on around the world as one which is exporting our harmonious society. This year the theme of 'Uprising' has attracted the coverage of international TV channels. 'Convivencia' was the motto this year and workshops and seminars were held in our University that analysed how religious and cultural diversity and how religious differences can live in a small society such as ours.

The Gibraltar-Berlin Art Residency Project will take place for the second year. In July this year we will see Shane Dalmedo, our local artist, taking up an art residency in Berlin and a Berlin artist doing a residency in Gibraltar. This initiative is proving to be very successful in exporting our artistic talent. We again financially supported the participation of local artists in competitions abroad, such as the Royal Academy of Art Summer Exhibition and others.

GCS is responsible for overseeing and organising traditional events in our calendar such as Miss Gibraltar, Spring Festival, Autumn Programme, Summer Nights, Gibraltar Fair, national celebrations, New Year celebrations, international art competitions, literary and poetry competitions, and classical concerts in conjunction with the Philharmonic Society, amongst others.

In May this year, Shakespeare was back in town. As part of the Spring Festival, *Hamlet* was performed and a number of workshops for schoolchildren were held. These workshops were carried out by the Young Shakespeare Company, who were especially flown over from the UK.

The GCS will also be heavily involved in the opening and closing ceremonies of our Island Games in 2019.

On 2nd June, GCS organised the second anniversary of the opening of yet another manifesto commitment of having a National Art Gallery, as we all know named the Mario Finlayson National Art Gallery.

Apart from developing, promoting and supporting cultural events, GCS also do facilities management. They not only run the Ince's Hall, Mackintosh Hall, Retreat Centre, the Central Hall, the Gibraltar Exhibition of Modern Art, Fine Arts and the Gustavo Bacarisas Galleries, they also now help many groups and associations with the maintenance of their premises. When we came into government we realised that premises of which the Government was the landlord

were not being maintained, and this resulted in one of the tenants making a claim for damages due to water ingress. Now we have a programme of maintenance which identifies problems in premises, and GCS will deal with these issues soon so that tenants, groups and associations can continue with their good work. They have repaired and fixed things like the roof of South Barracks Recreational Rooms to avoid further water ingress; repairs to lighting, guttering, façade and installation of hand rails at the South District Senior Citizens' Social Club; repairs to the caving-in of the floors at the Gibraltar Downs Syndrome Support Group Unit at the Retrenchment Block; repairs to roof and guttering at 35 Town Range and 72 Prince Edward's Road, and many more. This we do because we value the work that all these groups do for our society.

The Mac Hall Library has gone through a massive transformation in 2014, and I am glad to say that the Hon. Roy Clinton visited the library recently and found out the extensive improvements that the library has gone through – pity he didn't mention it in his address. New books are constantly being purchased and CCTV cameras installed in the children's area, fiction section, main reception and reference rooms.

As to repairs at the theatre, which is now complete, these consists of refurbishment of the sound and light control room with new sound and light equipment; new floors and seating; removal of seats to create disabled access; increased capacity from 380 to 408 seats; new curtains; new carpet for the upper theatre gallery; new frosting to main doors; LED lights replaced for the courtyard area; extra furniture bought; new doors; new ticket office built for public use and hire; landscape posters displayed; and many more improvements which have made the Hall a place which we can now be proud of. I see the hon. Member is giggling underneath, but these are actual improvements since 2011, since we came into government, because they had it totally neglected. The same can be said with many improvements at the Fine Arts Gallery, the Gustavo Bacarisa Gallery, the Central Hall and the Ince's Hall.

I would like to say at this point, Mr Speaker, that GCS is also heavily involved in making sure that child protection for all cultural groups is a priority. They are working hard. Every group that is a cultural group has to register with GCS that they have a programme for child protection.

The Ministry of Culture has also been heavily involved in organising events such as the Jazz Festival, Winter Party in Town, Darts Trophy, pool and snooker tournaments.

The Ministry of Culture is and has been leading on the organisation of Gibraltar Calling. We have been working for the past two years to be able to partner with the biggest brand in the world and the most important music TV channel, that of MTV, to be able to deliver a music festival that will be shown around the world. Our GMF was one which was very successful and attracted our locals as well as tourists to our shores. I would like to take this opportunity to thank those who were involved in the GMF in having helped us produce the biggest event in our social calendar, and I hope that they will continue to be involved in Gibraltar Calling.

It is obvious that the vision that we had as a manifesto commitment is now reaping the benefits. Our policy of events-led tourism is working and the figures of hotel occupancy, as all the other statistics that the Chief Minister mentioned in his address, show this. We now have moved this event to the international arena and the representatives of MTV, who were very impressed at our product, have teamed up with my Ministry to create an event which will be beamed live to more than 30 countries. The value of this is immense. To give you just a snapshot of the benefits of this partnership, I will give this House a few figures – and I will also give the hon. Members who are talking, if they want to listen, these figures.

The following figures are only conservative estimates in relation to the media value that partnering with MTV will mean. The TV programmes being produced, which will be broadcast in 30 countries and have an audience of about a billion, are estimated to have a value of £½ million. The 1,500 minimum 30-second broadcast advertising spots are estimated to be £150,000. Twenty-plus social media posts with a reach of three million-plus and one of its Twitter accounts having a following of 15 million-plus people is estimated at another £150,000. Press coverage via MTV will reach upwards of £1 million in media value. Minimum total forecast

of the media value is therefore £1.7 million. All the above does not include the events and tourism marketing we do ourselves via our own websites.

715 MTV is without doubt one of the biggest brands in the world. Gibraltar can benefit from the brand association to project its forward-looking position in the world. When talking to MTV's director and producer of Gibraltar Calling when they visited Gibraltar last week, they mentioned the fact that they wish to do filming of programmes for their channel here, since Gibraltar has not only a lot to offer in cultural and social events but also because of our unique surroundings and geographical position.

720 Now that this event is being filmed, Gibraltar will have a lasting legacy from the festival. Multiple high-quality media assets will be generated, which will be used by other Government agencies to promote Gibraltar, in particular as a music and cultural destination.

725 Gibraltar has been able to leverage MTV's relationship with artists to attract top talent on excellent commercial terms. Within the festival industry the current line-up is being seen as of a very high standard, some of whom performed in the Glastonbury Festival last weekend. (**Hon. Chief Minister:** Jeremy Corbyn!) Well, we can invite him as well to give us a speech, but I would rather have you as the socialist giving a speech!

730 One important aspect of the value of this event is the fact that many of the tickets sold to date for Gibraltar Calling are from people who intend to come to Gibraltar for the event. We expect to sell much more than we did last year, but taking the same figures of last year's GMF, at which we had over 2,500 people from abroad coming, means that the economy in general benefits in the region of £½ million. Therefore, taking together only the estimated media and visitor value of the event to our economy, our economy can easily be said to be in the region of £2.2 million. These are obviously very conservative estimates and do not include the cultural, social and other benefits to our community.

735 At this stage I would like to just go off script and tell the hon. Member about tourism: that we are not a destination for the bucket-and-spade brigade. We are a destination where we attract people to events, and this has been working now since we started doing events-led tourism. The hon. Member must recognise that all the events that we do attract many tourists to Gibraltar.

740 Mr Speaker, I now move on to GAMP. In the 2011 manifesto we committed to three main things that we believe to be of great benefit to our society. These are learning an instrument, having a youth orchestra and the setting up of an academy for performing arts. I am delighted to say that the academy called the Gibraltar Academy of Music and Performing Arts, referred to as GAMP, was set up in September 2015 at 63 Flat Bastion Magazine, Flat Bastion Road. For this, I would like to take this opportunity to publicly thank Mr Freddie Gomez for having cleaned up, 745 looked after and maintained Flat Bastion Magazine for many years. He did this voluntarily without any help from the Government at the time. After he had been using the premises for years, he handed them back to Government and he is thrilled that his hard work is now used for the community in the form of the Academy. Since its set up it has been a great success, so much so that it has already outgrown these premises and GAMP is currently outsourcing spaces in 750 South Barrack Road Recreational Rooms as well as the drama studio and music room in Bayside Comprehensive. We are looking at alternative premises where we can house all students in the same venue and hold all classes in a centralised place.

755 When GAMP initiated the Learn an Instrument campaign, one of the commitments in our manifesto, they realised that many children did not know the variety of instruments there are. Therefore they offered a total of 32 places for middle school children to learn instruments such as brass, flute, saxophone and clarinet. This promotion has been extremely positive.

GAMP has developed the Infant Music Club, where children from as young as four years old can start learning an instrument and become interested in music.

760 GAMP has become the official representative of Charanga music in Gibraltar. More than 10,000 teachers use Charanga programmes in over 3,000 schools. It produces engaging, exciting, innovative digital music teaching and learning resources in both primary and secondary schools to support music teachers and their students.

GAMPA has been working very closely with the Parasol Foundation in order to develop the Parasol Foundation Scholarship Programme. This programme has been designed to help the next generation of musicians and actors develop and have more teaching contact and prep time. This programme has been renewed for another year.

Two scholarships for excellence and promise were offered to students who show a high level of skill and have the potential to excel. Three scholarships were offered to beginners who showed potential and have achieved quite a lot in a short space of time.

Ensemble scholarships are open to all students of the Academy. GAMPA has been offering string ensemble, woodwind ensemble, corps of drums ensemble, aural skills and vocal ensemble classes in order for children to accompany and to play as part of a group. This will develop their ensemble skills with a view to having children play together to fulfil another manifesto commitment to form a youth orchestra. These classes have no maximum limit of students.

Further scholarships were offered to students with financial hardship. I am glad that this happens, because some of the children are not able to do it and I am glad that GAMPA has taken this on. Extra-curricular activities can prove to be expensive to a student who feels they really want to dedicate themselves to a certain series of classes.

All in all, the success of GAMPA has been such that we are looking at expanding to have more premises to be able to cope with the demand.

Together with HM Government, the Parasol Foundation have also supported the Academy with a scholarship for drama and by purchasing music books in order to complete the Academy's library, as well as funding of more instruments.

The ABRSM – I hope Mr Speaker does not ask me what these mean – exams have been taking place in Gibraltar for decades under the supervision and management of the College of Further Education. It is important to note that it also does singing and performing courses, of which recognised examination has been conducted. GAMPA has therefore become an examination centre for the ABRSM. The Trinity Rock and Pop exams have proved to be very successful and the Trinity College London Drama exams. Every exam has been allocated a level and a number of credits in the Qualifications and Credit Framework (QCF) in England, Wales and Northern Ireland. GAMPA is very proud to be offering tuition and examination opportunities to students who choose to study classical, pop and rock music as well as acting and drama.

Mr Speaker, I now move on to the media, which forms part of my responsibilities for the first time. I have been able to closely work with the Chief Executive of our national broadcaster GBC to ensure that standards of service are maintained and, where possible, improved. GBC is a far cry from the television and radio station of just five years ago due to the lack of investment by the previous administration, with huge improvements having been carried out to its programming since then. This has happened thanks to the funding provided by our Government and the commitment of its management and staff to make it work. The efforts have paid off. The feedback received by the Corporation continues to suggest that a majority of viewers and listeners enjoy GBC radio and television Gibraltar programming. Live and on-demand programmes via GBC online have a good following too, as do their social media platforms, where GBC News is relied upon as an authoritative and reliable source by thousands.

TV shows such as the recent *Port Ops*, which focused on activities in the Gibraltar harbour, *The Collectors*, which showed the unusual collections owned by several Gibraltarians, and *Rock Explorers*, which every week shows a different element of local natural history, are shows that would only be produced by a local channel, proving GBC's value to the community. There has been a significant number of local series and specials produced during the past 12 months, with these including the ordination of Bishop Zammitt, which was broadcast live from Malta, as well as his installation at the Cathedral of Saint Mary the Crowned, also covered live. This year GBC has also carried live several Gibraltar-related political events from Westminster and the United Nations, ensuring viewers and listeners remain well informed on issues that affect them. This is also the case with respect to the current Island Games in Gotland, where there is a team of GBC journalists and producers who are reporting on Gibraltar's participation.

815 In addition, GBC Sports Awards, which has been a firm fixture of the annual social calendar,
was once again aired in March, and I take this opportunity to once again congratulate the
winners of these such deserved trophies. As Minister for the Media and Sports, I am really
pleased that GBC has taken this initiative in which sportsmen and women are rewarded for the
hard work and effort they put in to be able to at times reach very high standards at international
820 level.

I must also mention the GBC Open Day, which last Christmas raised an incredible
£142,000. The Open Day is an institution on the Rock, for which it is extremely gratifying that
our national broadcasters lead on the event, which is followed by practically everyone in
Gibraltar, knowing that their donations will help a variety of local worthy causes.

825 The last 12 months have seen several staff changes at Broadcasting House, with some of the
household names we have been used to over the years either retiring or leaving to pursue other
projects. In particular, I would like to thank Mr James Neish, Christine Clifton-Psaila and Stephen
Neish for their many years of service to the Corporation, while wishing the new faces and voices
who have replaced them every success in their new careers.

830 This Government continues to provide GBC with the funding required to keep up with
technology. This year, the focus has been on the replacement of the ageing TV studio lighting
grid with much more environmentally friendly LED lights, the first phase of which has now been
completed. The second phase of this project will take place during this financial year. The
station's satellite transmission facilities have also been upgraded, including the replacement of
835 two 25-year-old dishes with new motorised ones that will allow greater reliability and flexibility
for satellite reception, which is being used more frequently as GBC provides coverage of a
greater number of international events, including the football.

Mr Speaker, GBC is swimming against a tide of international broadcasters that are made
available locally by cable operators, which is not easy but proves its worth by providing well-
840 produced local content and quality imported programmes. However, it does so from a building
that is far from ideal and which in all honesty has seen better days. It therefore remains this
Government's intention to relocate GBC for the Corporation to enjoy the working conditions the
staff deserve and which will no doubt encourage them to build on their current successes.

As happens in all areas, there is always room for improvement. I therefore must pay tribute
845 to the around 80 staff employed by GBC, who are at all levels ensuring that Gibraltar has a
successful public service broadcaster with high editorial standards, who give of their free time to
ensure that things like Open Day ... as well as to the members of the public and commercial
sector who support it and give so generously, and that reflects the Gibraltarian identity through
numerous locally produced programmes.

850 Moving on to the Youth Service, I can announce that it has undergone a number of significant
changes, most noticeably within its structure and staffing arrangements. All the administration
that was working from Montagu Bastion Youth Centre has now been transferred to the City Hall.
This has meant that the supporting role to the service has increased since they can now double
up with officers based at the main office of the Ministry of Culture. The qualified element of the
855 Youth and Community workers can now work from the Youth Centre and can dedicate their time
to direct contact with the young people.

The complement now of the Youth Service consists of a principal youth and community
worker, two seniors and 5 JNC qualified youth and community workers (YCWs). It is great to
have seen that two of these YCWs have gained their qualifications locally via courses accredited
860 by De Montfort University in Leicester.

One further change implemented by our Government recently is that of regularising the
employment status of all youth support workers. These workers, who are complementary to the
work of the YCWs, are no longer on a supply basis but on a contract that gives them continuity.
So much for what the hon. Member Mr Llamas said. They are also being trained in order to raise
865 the standard of work done to achieve best practice.

Since the New Dawn of 2011 we have been keen for the Youth Service to encourage volunteers to help deliver youth work. This House will recall that volunteers were done away with by the previous Government and we believe that volunteers in the past contributed many positive things to the service. Therefore the Youth Service has introduced to everyone interested in working with youngsters a locally recognised and assessed course in Understanding Youth Work for volunteers and support workers. This year trainees were able to select the assessed or non-assessed route. The non-assessed route offered the trainee a certificate of attendance along with the chance to volunteer their services to various youth work projects. Due to the success of our training, we have once again offered Understanding Youth Work training to youth work trainees, who started the course in October 2016 and will have completed their training by this Friday.

Professional development is paramount for youth workers and to that end we are committed to supporting the staff to be able to train and learn new innovative ways to be able to deliver an excellent service. From the principal youth worker and his two seniors, who have undergone training on issues relating to grievance, discipline and dismissals ... to train all others in the service courses to do with Safeguarding Children, Health and Safety, First Aid at Work, Basic Fire and Rescue Training.

The Youth Service has been part of the Multi-agency Child Protection Committee since it was formed in 2015. It is imperative that child protection is at the heart of all agencies, associations and entities that are in contact with children. (**Hon. Miss S J Sacramento:** Hear, hear.) (*Banging on desks*) The Youth Service is a member of the Child Protection Committee, and following a request by the Care Agency in November 2015 the Youth Service agreed to join the Safeguarding Children and Young People training team as from January 2016. The Youth Service has increased its commitment to support child protection in Gibraltar. They have subscribed to the Signs of Safety model by committing themselves to taking a multi-agency approach in managing safeguarding issues and placing the welfare of children and young people at the heart of everything they do. In addition, the Youth Service will very soon be in a position to support the Care Agency by committing a senior member of staff to becoming a Safeguarding Children Tier 2 trainer for the multi-agency team.

All Youth Service staff underwent a very successful weekend of personal professional development training, taking of their own time, that focused on the importance of supervision in youth work.

Since the MoU was signed by the Youth Service and the RGP, they have been able to build and establish a professional relationship of trust that has made significant progress in many areas that has improved the service to young people in this community. As an example, the RGP Charity Committee has helped in the funding of residential weekends away for youngsters on which some officers accompanied them. In turn, the RGP have benefitted from the Youth Service since they are providing training to new recruits regarding working with young people in our community. This partnership has also allowed both entities to be able to work with the neighbourhood to be able to understand community problems more closely.

Mr Speaker, at this point I would like to say that it was sad to hear the Hon. Elliot Phillips, who has not been hearing any of our speeches, and yet he spoke yesterday about many of the things that he did not even hear, and he is not here today to listen to all the good things that we are doing with the young people in our youth clubs and the Youth Service, and how we protect young people and how we look at issues of drugs and even youth justice, which he mentioned yesterday and he is not here to listen today. I would like to compliment the Youth Service because they do an excellent work. I do not know how many thousands of people he has queuing up either at his home or at his office, which he mentioned yesterday – thousands of young people going to him and telling him how bad things were. Well, I don't know, but even in the youth clubs ... We have four youth clubs and we do not get thousands. We get hundreds, but not thousands. He must have queues all down College Lane.

Mr Speaker, I carry on by saying that our Government continuously invests in the refurbishment our youth clubs. The Plater, Dolphins and Laguna Youth Clubs have undergone some significant interior refurbishment works that are complemented by new modern and up-to-date kitchens for young people to use and learn necessary life skills. One facility which we have invested in – unlucky that the Leader of the Opposition is not listening – and will soon be completed is that of the Girl Guides’ hut in the Upper Rock. This hut could no longer be used, since it was not fit for purpose, yet we found that the previous administration had plans for it but never started it. Grins from the opposite Members. We will see a new floor added to the accommodation and more beds. It will have new kitchens and the building will be accessible to all. The Girl Guides, who do a great job in forming the lives of young girls, have been asking for this for many years but it has gone to deaf ears. Therefore it gives me great pleasure to be able to deliver the state-of-the-art premises where they can continue to do the magnificent work that they do.

Our Government values the contribution of the Youth Advisory Council, which already has representatives from the Duke of Edinburgh, Girl Guides and Scouts. We have therefore seen fit to expand its membership to include the RGP, Education Department, GHA, Care Agency, St John Ambulance and the Drugs Co-ordinator. All these entities have a lot to contribute in helping deliver quality youth work.

Further to the Council, as Minister for Youth I have felt it important to give young people a voice in our community, again rebutting what the hon. Member stated yesterday – that we do not listen to young people. The Youth Service set up a number of meetings with young people where they could raise any issues they had with me. This year, members of the Youth Forum focused mainly on issues regarding education. As a result of these meetings, young people have had the opportunity to meet with the Minister for Education Dr Cortes, with the Director of Education, with the Principal Youth Officer and with me at the Youth Centre to discuss issues that concern them. The Youth Service is working closely with the young people so that the issues raised by them are taken seriously and acted upon.

There are many projects that are run by the Youth Service. These range from developing photographic and filming skills to personal and social development opportunities and even fun activities.

The Luce Foundation project has allowed youngsters to attend residential weekends where they experience activities which deal with environmental issues, issues of citizenship, Personal, Social and Health Education, and challenge them to take life decisions to be able to be responsible citizens.

Mental Health is an issue which concerns young people, and to this end not only have the Youth Service engaged in helping fund-raise, for example with Clubhouse, but they are also in discussion with the GHA officials on how a mental health service for children and young people could be set up. Drugs, cyber bullying and youth justice are also issues that the Youth Service participates in forums on to advise Government.

I will not go through all the projects that the Youth Service has been providing the youngsters with throughout the year, since these are too numerous to mention, but one that sticks out was the winning of the first prize of the youth section in this year’s cavalcade; a lot of hard work took place and I would like to congratulate them on this achievement.

Mr Speaker, the Youth Service takes the youth seriously. They work hard. Again, I must say the five-minute speech that the hon. Gentleman, Mr Elliot Phillips – who came for five minutes, spoke for five minutes and left – was absolutely saddening, to be nice to him, because he has not recognised the hard work, the increase and all the things I have said. He would have listened to it today and he would have learned something from what all the Youth Service is doing.

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

Mr Speaker: I think this will be a convenient point at which to have a short ... before the Minister no doubt calls upon the House to acclaim last night's historic victory by Europa Football Club against the Welsh All Saints. So we will have a recess of 15 minutes.

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The House recessed at 11.25 a.m. and resumed its sitting at 11.40 a.m.

**Appropriation Bill 2017 –
For Second Reading –
Debate continued**

Mr Speaker: The Hon. Steven Linares.

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Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): Thank you, Mr Speaker.

The Kings' Bastion Leisure Centre also comes under my remit as Minister for Leisure. When we came into government in 2011, the Kings' Bastion was a massive drain to the economy. It was costing – and I hope people take note of this, because it is interesting, though sad as well due to the economic drain – £2.6 million per annum with a mere £60,000 in revenue. After making changes and terminating lucrative contracts which were signed by the greatest Gibraltarian in history – the previous administration – and reforming the way in which it was run, we now see the deficit massively reduced.

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Employees of KBLC were employed by the Gibraltar Sports and Leisure Authority (GSLA), and the revenue of the GSLA was actually fictitious since it was transferring money from one Government-owned company to the GSLA, which is also a Government entity. By transferring these employees to the Bayside Complex, where they were asking for more staff, and giving a contract to other GSLA employees who formed their own company, has reduced the running costs substantially. Now the KBLC is costing annually £1.6 million and is making revenue of £½ million and increasing every year. As can be seen, KBLC decreased their running costs by £1 million from £2.6 million to £1.6 million and have increased the income from £60,000 to £½ million, resulting in a significant reduction in the overall deficit. At the same time, they are carrying out the following improvements to the facilities.

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The fitness gym: a complete overhaul of the men's and ladies' changing rooms; all old equipment has been replaced with new equipment and an outdoor gym has been created in the back patio. The amusement arcade has seen the replacement of worn-out carpet tiles with high-quality fitted carpets in the games vaults and vaults repainted in bright colours. KBLC has cladded the ceiling and refurbished the Line Wall Road entrance to match the works carried out at the main entrance and they are in the process of repainting all the ironmongery, including columns and gates, on the Line Wall facade of the building. On the second floor, the cinema foyer area and toilet corridor has been repainted. Some damaged glass panels around the terrace areas have been replaced. Entrance tunnel and toilet passage walls painted and cladded with wood-face bricks.

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In the ice rink, new skirtings have been fitted to complete the refurbishment that was started in 2015. I would like to take this opportunity to say that the ice rink is a disaster in relation to the running cost. Whoever thought – probably the greatest Gibraltarian in history – of putting the ice rink on a second floor did not contemplate the amount of money it would cost in electricity. It is like having a fridge all day opened at the beach in the month of August. We are now looking at the possibility of putting solar panels on the roof, but we are finding it difficult due to the fact that even the roof is slanting the wrong way.

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Leisure Management Services, which are contracted to run KBLC, have agreed with the GSLA to provide basic maintenance services at the Bayside Complex and have employed an additional

maintenance staff member to cope with the extra work. This will provide more income to help them meet their running costs.

1015 During the current financial year LMS will be upgrading the consoles and software used at the bowling alley and will start work on replacing the bowling ceiling as well as installing LED screen panels for the back end of the bowling lanes. The latter will be useful in attracting marketing revenue. LMS, on behalf of KBLC, has entered into an agreement with the Gibraltar International Airport authorities for the provision of a children's play area within the departure lounge of the airport, where they can install some more arcade machines. Both these initiatives will provide additional income streams for KBLC that will help them in reducing their overall running costs. I would like to congratulate both the management and the staff of LMS for having taken the task of running the Leisure Centre with a budget of less than £1 million from the previous set up and at the same time improving all the facilities – a far cry from what we inherited in 2011.

1025 I now move on to my ministerial responsibility for sport. Phase 1 of the works at the GSLA swimming pool complex has been completed, with phase 2's final completion scheduled for this summer. The works have included the installation of a second filter for the accessible pool as well as the installation of systems that will automate chemical dosing, backwashes and automatic readings of water turbidity. Improvements are already noticeable in terms of efficiency, and once completed the reconfiguration will result in savings in chemical consumption, water consumption and maintenance costs.

1030 Let's not forget that the photovoltaic panels, which cost £680,000, from which £290,000 came from the EU – i.e. the expenditure of Government was £390,000 cost to the taxpayer – has now been paid by savings. The saving to date is approximately £720,000. Not only are we making these savings with the photovoltaic panels, we are producing electricity in excess of what the swimming pool needs and therefore we are also feeding this to the main grid. The best of the system is that the facility is functioning virtually at 0% carbon emission. Additionally, these works form part of a scheme to offer the general public an enhanced service resulting in the facility opening seven days a week.

1040 Improvements are scheduled to take place in many areas in the Bayside Sports Complex. To begin with, and due to the fact that the three-padel tennis courts are extremely popular, they have suffered a significant amount of wear and tear and therefore we will be resurfacing after the Gibraltar Calling Music Festival in September. Currently, the turfs of these courts are laid over sand substrate and users have been complaining that this is causing issues with the playability of the surface and in particular the ball bounce. Therefore the resurfacing will also include this time round the laying of a porous concrete base to replace the current sand substrate. This will resolve the current issues such as the ball bounce.

1050 The boathouse area will undergo an extensive refurbishment this summer. The building, which has been extensively used since it was built over 10 years ago, requires works to address water ingress as well as requiring improvements to the general areas. It has been the temporary home of the GFA for the last four years and they will be moving out imminently. It will now continue to house the associations which currently hold office space but will also become the official home of the Gibraltar Island Games 2019 organising committee, including the Games director.

1055 As is well known, the GSLA is charged with looking after the playgrounds and parks around Gibraltar. Within the GSLA there is a maintenance team who regularly go round the playgrounds and parks, mending, fixing and/or replacing the equipment. All the playgrounds and parks now have a notice where there is a hotline number for the public to contact should they see that any of the equipment needs repair. The team will go out to fix on the spot, make safe and/or take away to repair. Apart from the continuous maintenance, every financial year there will be a continued programme of upgrades to the parks and playgrounds. The Chilton Court housing estate has been earmarked as an area that requires attention. This is an old park and play area that was inherited when the estate was transferred to the Government. Various options are

1065 currently being considered for the area with the tenants association liaising closely with the
GSLA.

The Government, via the GSLA, has been involved with the following events locally and internationally both at a logistical and financial level. Mr Speaker, with the football, as in the UEFA Futsal, I do not think I should go through all of them, just to highlight, for example, the
1070 snooker, the pool, the darts, helping with the chess, the junior chess, backgammon, squash open, international regattas, Harley Davidson, even the International Song Festival. I have just left a few out there, Mr Speaker, because I will not go through them all. In addition, the GSLA offers logistical support and facilities for the local sports associations to complete their leagues and development programmes throughout the year as well as assisting schools in fulfilling their
1075 PE curriculum both at the Bayside Sports Centre and at the GSLA swimming pool.

The Summer Sports and Leisure Programme 2016 once again improved on its previous year's attendance, registering over 9,500 throughout its different elements over six weeks. The Sports Train offered sporting and leadership activities every weekday in the mornings for seven- to-14-year-old children. The Children's Corner offered appropriate sport and recreational activities
1080 three days a week. The family evening sessions noticed a marked improvement with the attendance of nearly 40. The Stay and Play programme offered sport, physical, arts and leisure activities for children with disabilities five days per week. This element in particular needed to review its scheduling, given the significantly higher attendance, and with this in mind the temporary staff complement has been increased for the upcoming programme. In addition, the
1085 Care Agency will be actively involved in the induction training programme for 2017, adding to the quality of delivery whilst safeguarding the interests of leaders and users alike.

The GSLA also worked in partnership with sports associations –28 in total – to provide a wide range of sports coaching courses and taster sessions with children and young people. Other positive leisure providers, including the Government, the Ministry of Environment, the GHA and the RGP ...
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Mr Speaker, such is the success of this sporting programme that the sponsorship arrangement with NatWest has been extended, and we are grateful for their continued support.

The Government, via the Gibraltar Sports Advisory Council (GSAC), which is administered by the GSLA, has continued to support local athletes and teams when they travel abroad to official
1095 international competitions. The GSLA advocates the fact that it is not purely to be a member of the international body, but local entities need to be active within them by participating in events and competitions or by participating at congresses or annual general meetings.

Sports development initiatives have also been supported with a view to increasing the qualifications, knowledge base and experiences of local coaches and administrators. This is particularly relevant as it will reduce the need for the importation of officials for the 2019 Island Games. Part of the legacy element of the Games is not just the physical infrastructure but the knowledge base and experience gained in the lead up to and during the Games that will improve the chances of Gibraltar being represented internationally as umpires and officials. I would like to, at this stage, congratulate Nathan Stagno for having obtained his MBE for being one of the
1100 best referees, umpires, of hockey. **(Several Members: Hear, hear.)** *(Banging on desks)* This will increase the pool of qualified sportsmen and women and will raise Gibraltar's profile even higher as a host location for international events.

In addition, some individuals who presented cases for financial support under the "Elite Athlete" category have been supported. Applications were considered by the relevant
1110 subcommittee on a case-by-case basis.

The review of the guidelines – and I think this part is important for the sporting fraternity – for registering sporting associations has been completed with these becoming criteria. Registered sports associations, leisure providers and commercial entities have been informed of the new requirement, and, if it is not met, it will result in allocations and/or funding being
1115 withdrawn. The main points to note are regarding training, with all coaches and leisure providers having to attend relevant Safeguarding Children and Young People workshops, the nomination

of welfare officers within registered governing bodies, the submission of an up-to-date child protection policy and proof of RGP vetting and relevant documentation from country of origin. The GSLA will assist all those concerned with training and support, and whilst there will be a transitional period whilst training is arranged and undertaken in the short term, the criteria will be stringently enforced in the future. Child protection is therefore a must from now on.

Preparations for the 2019 Island Games are well underway. The organising committee, led by Linda Alvarez, is making significant progress in key issues such as accommodation, travel logistics and sport-specific requirements. There is regular contact with those associations involved in the Games and with the key stakeholders like the RGP, GHA and Technical Services to name but a few. Several members of the organising committee are now in Gotland, where Gibraltar will host an information evening – in fact, it is this evening – for all of the other member islands, to provide an update. In addition, meetings have also been scheduled with the International Island Games Association Executive Committee and several reps will also address the annual general meeting, which they did last night, held as part of the Games in Gotland. Mr Speaker, I was only in Gotland for hours but in the opening ceremony and all the receptions you could see the buzz of people wanting again to come to the Island Games in Gibraltar, which I think is brilliant because of the way that all the organising committee were dressed with the '19' and Gibraltar and everybody was asking questions on when it is and all that. So I am really pleased that it is going really well.

Mr Speaker, the Government announced on 18th April that an agreement had been reached with the Gibraltar Football Association (GFA) on the constitution of a UEFA Category 4 National Football Stadium in Gibraltar. As is well known publicly, the GFA initially had objections to the Victoria Stadium as the venue for the new stadium. The Government has been assisting the GFA with a view to identifying an alternative site for the construction of a stadium in Gibraltar.

On 20th March 2017 the GFA wrote to the Government informing that all sites had been considered, in particular Europa Point and Lathbury Parade, and said that they had turned out to be unviable for a number of reasons. The GFA informed the Government that it had explained its predicament to UEFA, who in the circumstances accepted the lifting of the standing objection to the Victoria Stadium on condition that the GFA acquired exclusive ownership of the Victoria Stadium. Government therefore happily acceded to the request. Given the current importance of that site to all other sports, the Government agreed to sell the site of the Victoria to the GFA for £16.5 million, which represented a fair value for the site and the cost of relocation of the sports that presently use that site.

The sale includes the old Victoria Sports Hall and the right to redevelop the area of Winston Churchill Avenue and the adjacent petrol station upon relocation of the latter after opening the tunnel under the runway. The sale does not include the Tercentenary Hall or the rest of the Bayside Sports Complex. I would like to put to one side or at least quash all the rumours that have been going banding about that we are also selling the hockey pitch. The hockey pitch is not part of the sale to the Victoria Stadium; it is only the part of the track, the stadium and pitch 2, and obviously the sports hall, as I mentioned.

The sum of £16.5 million is the amount that the Government will invest in re-providing the sports facilities presently provided for at the Victoria Stadium. In addition, the GFA will continue to allow the use – and this is important again for the people to understand this – of the Victoria Stadium for a number of community events and school use where this deconflicts from the GFA's own football requirements, which will then have priority on that site.

The GFA will pay for the purchase in three instalments with funds it will receive exclusively from UEFA and FIFA: two instalments of £5 million, which will be paid in this current financial year; and a third payment of £6.5 million, which will be paid in the financial year 2018-19. In addition, the GFA will invest in the region of £15 million in the redevelopment of the Victoria Stadium and the old Sports Hall. As a result, Gibraltar will enjoy a National Football Stadium which will be developed at no cost at all to the taxpayer.

The Government will be investing the entirety of the sum of £16.5 million paid for the Victoria Stadium to redevelop the sporting infrastructure of Gibraltar affected by the sale. It will do so for the purpose of leading a total revolution and transformation of the sporting facilities available in Gibraltar and will do so in time for the 2019 Island Games. All these facilities will be developed by the Government as Government projects but will nonetheless be submitted to the Development and Planning Commission in line with current practice and will be developed with the new rules on accessibility of buildings forming part of the planning process.

I think it is important at this stage to say that the Hon. Minister for Equality and Housing mentioned the fact that the law on disability will be coming in, but I can tell the hon. Members and Gibraltar that all the planning that we are doing is now abiding by the new law, so therefore these projects are already looking at the new law, as opposed to what we have currently. In addition, the Ministry for Sport will continue to work with the GFA and all the relevant sporting organisations and representative bodies in order to get the results right on this investment in sport in Gibraltar.

In relation to the question of re-providing or re-siting sports facilities, we will be developing the site of Lathbury, where there will be an 800-seater, 400-metre, eight-lane track. This athletics stadium facility for athletics will also be a general purpose sports field and will be made available to football and other sports in Gibraltar. This facility will therefore be larger than the current track at the Victoria Stadium.

Within the Lathbury complex a 52-metre pool will be built, which will fulfil yet another manifesto commitment. This new swimming pool will be a 52-metre, eight-lane pool with seating capacity for around 400 spectators. The Gibraltar Amateur Swimming Association is assisting the Government to ensure that this new pool facility complies with all international requirements.

A full-size football ground which can double up as training pitches, especially for children, will be provided. This will be available to the GFA, to all the GFA league clubs, as well as to rugby. This facility will include a communications centre, a boardroom, a press area, a lecture room, an infirmary and coaching and anti-doping rooms. In addition, a gym and indoor warm-up area will be provided.

New offices for the Gibraltar Amateur Athletics Association for the Gibraltar Amateur Swimming Association are also being developed as part of this new and exciting facility. The whole area will also benefit from a huge underground 1,200 parking space area. Facilities for a cafeteria will also be provided.

The athletics and playing field facility is anticipated to be ready by December 2018. I know that come December 2018 we will say, 'Why haven't you finished it?' Well, there might be a bit of slippage, but that is my target.

A full 100 metre x 68 metre plus 10 metre dead ball international size rugby ground, a cricket pitch and football training pitches will be constructed in a facility which will also be owned by the Government but run by a trust that will be comprised of the sports that will be using it and Government. The Government is working closely with the Gibraltar Rugby Football Union on the development of the rugby pitch in order to ensure that it complies with the necessary international standards. In addition to the rugby pitch, the facilities at Europa will also provide for a rugby clubhouse.

The provision of facilities for an oval, 120 metres by 110 metres, is also catered for in this redevelopment. Three indoor and three outdoor cricket nets will also be provided. The Government is working closely with the Gibraltar Cricket Association to ensure that the development complies with the relevant international criteria. In addition, a new modern and fit-for-purpose clubhouse and pavilion will be provided for the Gibraltar Cricket Association. The outdoor facilities will have a 1,200-seater spectator stand.

Importantly, the Europa sports redevelopment will provide a 42-bed dormitory for visiting sporting associations and teams. This will be available to teams and associations of all sports and will assist in the development of Gibraltar as a centre for sports training.

1220 The development at Europa will include a new 49 metre by 33 metre sports hall and events
space. This facility will be multi-functional. Also included will be six new squash courts with
provision for 80 audience seats. Darts will have 12 practice lanes – oches, they are called –
provided within a 4 metre by 10 metre space. Additionally, boardrooms, offices, lecture rooms,
1225 gyms and treatment rooms will be provided, together with a rehabilitation centre. The sports
hall will replace the Old Victoria Sports Hall, which will nonetheless still be made available to the
whole community by the GFA in a manner that de-conflicts from their own needs. The Europa
Sports Hall will provide for futsal, basketball, netball, volleyball and badminton, as well as for
other indoor sports.

1230 None of the developments at Europa impinge on the existing playing facilities for children or
the heritage assets in the area.

The Government's plans also provide for the construction of a much needed new facility for
Special Olympics Gibraltar. The development will also be in the Europa area. The facility will be
attached to a further new community sports hall and gymnasium with treatment and changing
facilities as well as a bar, restaurant and kitchen. The technical designs in respect of the new
1235 Special Olympics facility will be the following: a sports hall, gym, male and female changing
rooms, treatment room, office, bar, restaurant and kitchen. These facilities, although built for
our Special Olympians will be a place which all other sports associations and entities will be able
to use. The concept of these facilities is for it to be inclusive and accessible for all.

1240 The construction of outdoor and indoor facilities in the area of Europa Point for all sports will
also be helpful in the development of the University of Gibraltar and its ability to offer sporting-
related courses as well as making sporting facilities available to students of the University as it
grows and expands.

The construction of the new sports hall and events space at Europa will require the
relocation of the existing facilities of the Gibraltar Target Shooting Association. The Government
1245 is presently engaged in discussions with the committee of the GTSA on the development of a
new shooting range. The Government is also already in contact with the International Sports
Shooting Federation in order to ensure compliance of any new facility with the international
requirements for sports shooting.

Mr Speaker, in conclusion, be it the changes we have implemented in relation to the mess of
1250 the defunct Gibraltar Cultural and Heritage Agency, be it the reforms we have done on the Kings'
Bastion Leisure Centre, be it the increasing of the funding to our cultural fraternity, be it the
increasing of the funding of our sporting associations, be it the construction of the new Girl
Guides' hut in the Upper Rock, be it the hosting of the Island Games in 2019, be it the Europa
Point complex, be it the Lathbury Swimming and Athletics Centre, be it the wonderful Special
1255 Olympics complex, be it the partnership we have done with MTV in relation to the Gibraltar
Calling Festival, no one can question the advances this Government have made and will continue
to make in the governance and development of our country. **(Two Members: Hear, hear.)**
(Banging on desks) The future is bright and all our citizens know that there can only be one way
forward and that is to invest in our people. I am honoured to be part of a Government that is
1260 forward thinking and has a clear vision, from the way we are dealing with Brexit to the way we
deal with day-to-day issues and all other aspects of governance.

I would like to thank all those NGOs such as the Youth Advisory Council; the Youth Forum; the
Gibraltar Sports Advisory Council; all the cultural groups from the arts, drama, photographic and
dance fraternities; all the members of the governing bodies of those sports which are involved in
1265 delivering the state of the art facilities which will leave a lasting legacy well after the Island
Games has passed and well after we have all passed; the organising committee of the Island
Games, who do this without any financial interest; the team at AKS and Orfila's that are
producing all the architectural and technical designs for all the sporting and cultural projects
which I am involved in; those at Technical Services who help me steer these projects.

1270 Thanks also go to the staff at the Gibraltar Cultural Services, at GAMPA, at the Leisure
Management Services from the Kings' Bastion Leisure Centre, at the Gibraltar Sports and Leisure

Authority, at GBC, at the Youth Service. Mr Speaker, last, you and your staff at the Parliament; and last, but definitely not least, my staff at the Ministry of Culture, without whom I would not be able to implement all the positive policies and manifesto commitments in which I am involved.

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

Mr Speaker: The Hon. Edwin Reyes.

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Hon. E J Reyes: Thank you, Mr Speaker.

I wish to start my contribution today with matters pertaining to housing. In respect of repairs and refurbishments of Government rental homes, what has happened over the last few years is that an ever-increasing number of home refurbishments are contracted out to private companies without going through any type of transparent and accountable tender process. Furthermore, feedback from tenants who have had remedial works carried out in their homes indicates that more often than not the quality of the finished product leaves somewhat to be desired.

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Last year, Mr Speaker, I mentioned that the Ombudsman had, in his annual report, said that his office continues to face difficulties when seeking information related to works which had been passed by the Housing Authority on to the Gibraltar General Construction Company Ltd, known as GGCC, which is the entity tasked with repairs to rental housing stock. When the works will be undertaken or indeed who will carry out the works is not information available to the Ombudsman directly from GGCC. Sadly, the Ombudsman had to add in his report:

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It is very often a very tedious and difficult exercise to obtain information via the Housing Manager – who in turn finds it difficult to obtain information or indeed even replies from GGCC. Over a year on, of the above-mentioned situation we still have not seen any remedies to the system, so therefore it still prevents the Ombudsman from providing a proper and efficient service to those who have lodged a complaint – which in general are in respect of delays as tenants want to know when works will be undertaken.

Mr Speaker, these difficulties which the Ombudsman highlighted in his report continue to coincide with the feedback I still receive when meeting with tenants during clinics I hold with them. There is little faith among tenants that Government will fulfil their obligations as landlords in a timely and satisfactory manner. Surely tenants who fulfil their obligations, such as being up to date in payment of rents, should be treated with greater respect and priority.

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Mr Speaker, the Opposition agrees with Government that action needed to be taken to ensure all tenants are up to date with rents due. Indeed, I have personally in the past stated approval of the actions taken by the Minister for Housing for having commenced a programme of agreements which should ensure all debtors are up to date with their rents within a given period of time. However, it is also equally just that tenants should have remedial works carried out to an acceptable standard within a reasonable period of time. If the Ombudsman finds it difficult to get answers to his questions, one can only then imagine what it is like for a tenant trying to obtain any answers directly by themselves.

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I have also, during past Question Times, asked what plans Government has for the future of the Housing Works Agency. The reply has been to the effect that this is being discussed with the workforce and their union, but I regret to note that this does not seem to have yet been settled. I wonder if Government can commit themselves to a specific target date – after all, this can only be for the benefit of both the workforce and Government tenants as a whole.

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Mr Speaker, Government had a 2011 manifesto commitment to provide a home to everyone on the housing waiting list and also on the pre-list as at 9th December 2011 – that is the allocation of homes to all applicants before what was to be the next General Election, which came in late 2015. The pledge was to eliminate the then existing waiting list and pre-list. Unfortunately, this target was not met by the time the 2015 elections came along, and I am still sad to note there are, in June 2017, still applicants who have not been allocated a home despite

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being on the waiting list prior to that date of December 2011. A very serious explanation is surely owed to those applicants as to why Government has still not fulfilled its promise.

1320 The Government's website with statistics in respect of the Housing Department is still not available. I feel that perhaps Mr Speaker would also appreciate a revival of these statistics online, as it does curtail questions which I otherwise have to pose in this Parliament. I wonder if Government are now in a position to say by when the website with statistical information pertaining to housing matters will be fully operational.

1325 Based on the June 2017 figures I was given at Question Time, there are currently 960 applicants on the waiting list proper, with an additional 269 on the pre-list giving us a grand total of 1229 applicants. Mr Speaker, these statistics show how the election pledges made in 2011 under the heading 'Waiting reduced to 3 years max', and then further stating 'The supply of new homes will be kept under review in the light of applications received from 9th December onwards. Nobody in future will have to wait for more than 3 years to be re-housed.' This, Mr Speaker, has have simply not been met.

1330 And, Mr Speaker, the 2011 promises went even further. They were reinforced in the section dedicated to youth under the subheading 'Housing'. It read as follows:

Young people who are entitled to housing (as provided for in the Housing Act) will not wait more than 3 years for a home.

1335 Mr Speaker, it is a fact that there are still housing applicants who, despite the promises, are still patiently waiting to be allocated a home. What adequate explanations, I ask, does Government have that will satisfy these forgotten applicants?

1340 Mr Speaker, there are some very serious and genuine applicants who cannot aspire to purchasing their own home due to financial restraints. Despite the popularity of co-ownership schemes, this Government has, with the exception of homes allocated exclusively to senior citizens, failed to build any new homes for rental purposes. This sad situation is not the Gibraltar I would love to see, that is a Gibraltar caring for its citizens who genuinely are not able to own their own homes.

1345 Mr Speaker, we were awaiting, perhaps during this budget debate, details of the Bob Peliza Mews and Hassan Centenary developments. The Chief Minister had mentioned in the New Year that letters were being prepared to go out to prospective purchasers, but it now seems that infrastructure issues have delayed this project. There seem to be some modifications as to the footprint of the project and we will have to wait until September for more details to come forward. I hope that in September there will be a firm commitment which will be adhered to as to when these houses will actually be ready to allow the new purchasers to be able to move in.

1350 Mr Speaker, the Opposition had suggested prior to the last General Election that rents in respect of new rental homes allocated should be means tested. Not everyone is able to obtain a mortgage and therefore purchase their own home through the popular co-ownership scheme. However, there are many who can afford to purchase and yet they opt out of doing so, knowing that their monthly rents are a pittance when compared to the level of their personal wages.

1355 Many new homeowners have expressed to us their feelings of unfairness, as the only way in which they could obtain a home in keeping with their family requirements was through co-ownership, and this brings with it new financial burdens and in some cases has even led to hardship. Their claim of unfairness is that not only do they now have a mortgage to pay – I will give you an example: it will be around £200 a month for a two-bedroom home – they

1360 additionally have to pay community fees or service charges, which at current rates in some co-ownership estates are even greater than what a Government rental tenant pays in rent per month. Indeed, there are more and more people asking why should the tax payer have to subsidise rental homes, given that the annual cost of expenditure for upkeep of rental homes is greater than the sum received from rents due.

1365 Mr Speaker, there are now many Gibraltarians who have moved into their new co-ownership homes. I have had an opportunity to see some of these homes myself and I am happy to report that many aspects of these new constructions are very welcome by their new owners. However, there are some aspects which I would like to bring to Government's attention in the hope that the relevant Minister will be able to look into this further.

1370 Numerous purchasers at Eastern View Terraces have continuously brought to my attention –

A Member: Beach View Terraces.

1375 **Hon. E J Reyes:** Sorry, Beach View Terraces. Sorry, a slip of the tongue. Purchasers at Beach View Terraces have continuously brought to my attention their concerns in respect of the quality and reliability of the lifts installed. A recurring example of why the lifts give serious cause for concern is the unfortunate frequency with which they seem to break down. Last year I mentioned that I sincerely hoped that this would be looked into with some priority and that, likewise, proper monitoring during the installation of lifts at the existing rental estates which are currently having these installed will take place. It is still sad to say that the problems with the lifts at Beach View Terraces continue as a recurring nightmare for many residents.

1380 Mr Speaker, I would like to ask the Hon. Minister once again to spare some time and look into the numerous new problems which have arisen within many homes in the estates where refurbishments are presently being undertaken. I have received information from tenants – even with photographic evidence, which I can share, if so required – showing that as a result of the cladding and installation of new roofs they are now suffering from water ingress, an issue which tenants say had never occurred in the many years they have been living in their homes. In wishing the Minister all the best and hoping that refurbishment works are completed as per the reviewed schedules she has recently provided through answers to questions I have posed in this House, I appeal to her personally that new remedial works such as those I have just given examples of are also completed within the same time span as all major works are due to be completed.

1390 The revised completion dates have recently been announced as December 2017 for Glacis and Moorish Castle Estates, but for Laguna Estate the projected completion date is December 1395 2018. These completion dates will be of little comfort to the tenants presently residing in these Estates. Not only are they, in many cases, fed up with the long delays, as they had been led to believe the works would be completed much sooner, but they are desperate with the disruptions being experienced. Tenants were expecting some inconveniences whilst works were being undertaken, but the way works have been programmed and the manner materials have been stored or left lying around in the area has in many cases led to desperation. Loads of 1400 concerns in respect of health and safety have been expressed and to be able to offer such little hope of a normal living area until December 2018 will unfortunately come as no consolation.

1405 The Opposition recently wrote to the Minister for Housing in respect of concerns arising from the saddest of incidents at Grenfell Tower. We are confident that the pertinent authorities are looking into these health and safety matters, such as we have been informed by the Minister already in this House, but we would welcome a public statement explaining eventually what fire safety tests have been conducted and what the full result in respect of Gibraltar's housing stock is. We patiently await these results.

1410 The positive side of the refurbishments is that one day residents should be able to pride themselves about their dwellings and surrounding areas. However, whether one can attribute the cause of increasing unsociable behaviour within the estates to be a by-product of ongoing works or not remains to be seen. Decent and law-abiding residents of housing estates are desperate to see the appropriate authorities making a concentrated effort to stop this unacceptable unsocial behaviour as soon as possible.

1415 Likewise, Mr Speaker, routine maintenance works in other rental estates such as Mid-Harbours does not seem to be happening to tenants' satisfaction. I know the Chief Minister has

not long ago visited this estate for himself and I am hopeful he will have instructed routine maintenance works to be carried out. However, there needs to be a maintenance team all year round ready to tackle any necessary works. Gibraltar should be efficient in the way it maintains its housing estates without the need to have to appeal directly to the Chief Minister for any works to be tackled.

Mr Speaker, moving on to sports-related matters, I wish to commence by saying that I am a firm believer in unity, where possible, for the benefit of Gibraltar's greater interests. I am glad to see that Government continues with the long-existing policy to assist all local sporting bodies to overcome any foreign government's politically inspired attempts to block our membership and/or participation in international sporting events. *(Banging on desks)* In the past, we have rejoiced together in respect of landmark achievements, namely the acceptance of the Gibraltar Football Association as a full member of UEFA and then FIFA. The policy of assisting sporting associations will certainly continue to receive the Opposition's wholehearted support and I sincerely wish other sporting associations, such as rugby amongst others, all the very best in their continuing battles to obtain their respective international memberships, which are rightfully and legally theirs. **(A Member: Hear, hear.)** *(Banging on desks)*

The GSD Opposition wishes the Gibraltar Football Association all the very best in finally having its own stadium. It is particularly pleasing to hear that the National Football Stadium will now be sited at Victoria Stadium, *(Banging on desks)* a location first promoted by the GSD. It seems that where there is a will there is a way, and therefore the GSD was not wrong from the outset in choosing Victoria Stadium as the best site for a UEFA and FIFA fully approved football facility.

The terms and conditions settled by the GFA mean that they will become the custodians of Victoria Stadium and we will offer our full support to the GFA in this respect because there have already been more than enough delays in ensuring home matches are played at home – and that means within Gibraltar itself. It is indeed a great pity that the first round of qualifying home matches in respect of Champions League and Europa League competitions have for the first time this year required players and spectators to make the tedious journey to Faro in order to compete in these prestigious competitions. I must take this opportunity to wish players, officials, and not least the faithful spectators, a safe journey to and from Faro. May the best of Gibraltarian luck accompany Gibraltar's teams in all our matches. **(Hon. Chief Minister: Hear, hear.)** *(Banging on desks)*

Mr Speaker, I mentioned before ... You beat me to it; we did have a conversation behind the Speaker's Chair this morning and you beat both the Minister and myself in offering our unanimous congratulations to Europa FC. I managed to see, I think, 90% of the game online. It was a magnificent performance. We were 1-0 up – I nearly got the prayer book out when it was 1-1, but the efficiency of our players managed to give us a 2-1 away win, so we certainly look forward to a continued success when we play at home, albeit in Portugal.

Chief Minister (Hon. F R Picardo): The players, not the prayers!

Hon. E J Reyes: Yes! We also take this opportunity to wish St Joseph Football Club, who I see from social media are already in the blue bus making their way to play their home game, and Lincoln, who I believe are playing away this week, the best of luck. When duties from this Parliament do not prevent, I will certainly try and be present at all the home matches, as has become now my tradition.

The latest developments which should see an improvement to football facilities in Gibraltar will be accompanied by an opportunity to re-provide facilities in favour of other sports elsewhere in Gibraltar. I sincerely trust that the funds which will become available from the premiums paid by the GFA are used wisely and in close consultation with the relevant sporting bodies so that Gibraltar may continue to produce worthy local athletes and develop its sporting talents to the envy of many of our sporting opponents in official competitions.

1470 I am grateful to the Minister for the abridged explanations he gave us of facilities and I certainly wish him to know that I am more than willing to sit with him as often as needed behind the Speaker's Chair so that together we may produce the best facilities and therefore have the best set of local home-grown athletes that will become the envy of many around the world.

1475 With your leave, Mr Speaker, I would like to repeat an offer I made last year during the Budget debate. I offered to the Minister, saying that although I am a firm believer that individual sports governing bodies should be allowed to manage their own affairs with no political interference, I urged him, in his capacity as Chairman of the Sports and Leisure Authority, to take a particular interest to ensure that publicly owned facilities are used in a fair manner for the benefit of all sports lovers. There is both a duty and moral obligation for the Gibraltar Sports Authority to ensure that, where desired by a club or individual citizen, membership in the relevant local governing body is open to all in an equal and fair manner. I offer myself to sit
1480 down and discuss with the Minister for Sports and Chairman of the Gibraltar Sports and Leisure Authority possible avenues which may be looked into in order to set up a special independent body tasked with matters pertaining to and requiring arbitration related to local sporting issues. Some disputes have been dragging on for far too long and I am hopeful that by working together
1485 with all affected parties solutions can and should be found.

Whilst we have been debating this year's Budget in Parliament during the course of this week, other Gibraltarians have been proudly representing Gibraltar at the 2017 Island Games in Gotland. I am sure I speak once again for the whole House as we offer our collective congratulations to all participants who have achieved podium medals, but we also thank those
1490 participants who may not have been as successful in their achievements. We are proud of them because their efforts, always to the best of their ability, continue to make us proud of our sporting fraternity. (**Hon. Chief Minister:** Hear, hear.) . (*Banging on desks*)

In recent Questions I asked the Minister for Sport what were the plans for the future use of the Old Garrison Gymnasium. Through his reply this House was told that refurbishment works
1495 were being carried out so that this facility could then become available for use by our local sporting fraternity. However, it has been brought to my attention that over the last few days a sign is now situated outside the Garrison Gymnasium signifying that these premises have been allocated to Europa FC. An update with details of any deals that may or may not have been entered into is therefore something which this House should be provided with.

1500 To conclude, Mr Speaker, I wish to reaffirm my personal thoughts that through the collective celebration of social events, participating Gibraltarians continue towards reinforcing our identity, our culture and our history as a people and as a community. Both the performing and fine arts fraternities always prove themselves to be very proactive within their own specialised areas and I take this opportunity to congratulate all the groups and individuals who have done
1505 Gibraltar extremely proud through their international participations and in numerous cases even top awards gained. It is always a personal and collective pleasure to be able to say how proud we are of the international achievements of all our fellow Gibraltarians. (*Banging on desks*)

1510 **Mr Speaker:** And last, but not least, the Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, before I start, I would like to echo the words of Minister Linares and my hon. Friend Edwin Reyes, and take this opportunity to congratulate the wonderful achievements of our sports men and women at the Island Games in Gotland, and to Europa FC on their win last night. (*Banging on desks*) As always, Mr Speaker, our homeland is
1515 doing great, and from this small corner of the House I want to send them my heartfelt congratulations as the medals and victories keep coming in.

Mr Speaker, it was on this occasion a year ago that I stood up to address this House with my maiden Budget speech. As it happened, this was also my first major contribution as an independent member of opposition, and I used it as an opportunity to make my intentions as
1520 such clear to both the House and to the people of Gibraltar as a whole. At the time, I was

naturally anxious at the turn my parliamentary career had taken, but I was nonetheless always secure about the decision I had made. Over these months, I have been working hard towards meeting these intentions and trying to demonstrate to the electorate that I deserve the privilege they afforded me at the 2015 election. My status as an independent Member has only increased the sense of responsibility I feel at serving the people of Gibraltar, and 12 months later I can confidently declare that I have found my feet in the business of this House. For that, Mr Speaker, I must thank you and your staff – Danny, Kevin, Frances and of course Paul – for the guidance I have received in terms of parliamentary, clerical and administrative procedures, as well as for the helpful advice that has been provided to me in the discharge of my responsibilities. As an independent Member of this House, this assistance has been invaluable to me, as it is easy to feel somewhat adrift when one does not have the backing of a party machinery or even the Leader of the Opposition's part-time salary. I have always found your staff approachable and willing to help, (*Banging on desks*) and I have never felt left to my own devices when finding my way through the practices of this Chamber.

Likewise, I am grateful to all my parliamentary colleagues for their support and encouragement, because while we may all have differing ideologies and approaches, I am in no doubt of the commitment that both benches have to our nation – a commitment that I constantly aspire to replicate in my endeavours. I feel particularly indebted to Minister Neil Costa, who has always treated me with respect and who has always shown himself willing to listen to my ideas and to the concerns I have taken to him. Many have been the times that I have consulted him outside the context of the parliamentary debate and he has proved keen to engage with me and to develop a close partnership for the benefit of the people of Gibraltar.

Finally, and most importantly, I would like to thank the many people who have reassured me, counselled me and congratulated me either in person or by other means. The kind words I have received over this time have further convinced me of my purpose in this House, and the apprehension I may have felt a year ago has been replaced with a stronger sense of conviction to serve this community and continue in the work that I have been carrying out since my first Budget response.

As I reflect on these past 12 months, Mr Speaker, I appreciate what a steep learning curve my first year as a Member of this House has been. There is a great deal that I have had to learn about diplomacy, negotiation, procedure, public relations and the many facets that shape a modern politician. In many ways, in fact, this has very much felt like going back to school, although in school I never got sworn at for failing to do my homework. But it is a learning process that I have enjoyed, and I look back at this year with both fondness and pride.

I am proud of the fact, for example, that this year this House took a momentous step towards a fair society for all by legalising single-sex marriage. I was encouraged that we acknowledged that our democracy is mature enough to recognise the rights of others, regardless of sexual orientation. It will be remembered, however, that I felt that the Bill did not go far enough in eliminating the final bastions of discrimination in our community by allowing Government employees to refuse to discharge their duties on prejudice grounds. To my mind, this ground-breaking Bill that aimed to eradicate discrimination with one hand was devalued by allowing it with the other ... undermining the Chief Minister's claim earlier this week that 'on this side of the House we do not believe in discrimination'. I remained unconvinced by the Government's explanations and reassurances, as I felt they did not address the principle being protected. This is not giving same-sex couples exactly the same rights, as per the Chief Minister's assertion. I was therefore proud to have fought against this clause, and was pleased that three Members of the Opposition broke ranks against their own leader and supported my amendment. This unusual act showed me that this is a House with a conscience, and I daresay that there were more than a few individuals on the opposite side who would have liked to have done likewise.

The debate we all had about mental health and the motion that was subsequently carried through also assured me, Mr Speaker, of this Parliament's genuine commitment towards representing the interests of the less fortunate members of our society. There is no doubt that

mental health patients in Gibraltar are now better served by the decisions we have made in this Chamber, and we have repeatedly demonstrated that we have listened to the concerns of those most affected.

What I was less encouraged by, however, was to see this debate tarnished by an Opposition heavy in its criticisms but light in its proposals, and by a Government focused on trumpeting its own successes while, as usual, belittling the efforts of the previous administration. This conduct is unbecoming of our status as politicians and does little to protect the vulnerable. Of far more value, I felt, was for me to engage with stakeholders in the mental health field – professionals, patients and families – and to come up with a constructive strategy of proposed solutions to improve the services currently available to these individuals. At the same time, the amendment which I proposed eliminated all the unnecessary propagandist bluster, in the process showing that it is possible for the Government and an Opposition Member to engage in constructive dialogue with the sole aim of helping our community and dispensing with the trivial games that so often blight Gibraltarian politics. I was pleased to see the Government recognise these efforts and include some of my amendments while withdrawing elements of their own; my only regret, however, was that my Opposition colleagues failed to acknowledge the merits of both the amendment and of my efforts, so I still feel that this was a wasted opportunity to show true unity in the House where the interests of our community are concerned. (**Hon. Chief Minister:** Hear, hear.)

Since then, and as a result of this motion, there has been some progress in how these interests have been further developed. In addition to this, I must, for example, congratulate the volunteers of the Samaritans service recently established on the Rock, as this will give sufferers of mental health issues the independent telephone helpline and other help that we advocated in this House. This is undoubtedly a step in the right direction, but I am disappointed that some of the other measures that we agreed to – such as the publication of data related to mental health matters, and the appointment of more educational psychologists with expertise in these fields – are yet to materialise.

Where I sadly failed to enjoy the support of either side of the House, however, was in the issue of medical cannabis. This was an exciting debate, one that once again demonstrated that our community is more than ready to engage with controversial topics in an intelligent, mature and passionate manner. The public discussion, which reached its zenith in the GBC *Viewpoint* programme that saw this subject at its heart, exposed troubling discrepancies in Government policy towards cannabis-related medications, with doctors unsure about their legal rights and patients frustrated about being denied treatments that could improve their quality of life.

One could not engage with this debate, Mr Speaker, without empathising with the plight of members of our community who wake up to the prospect of constant pain, a reality that afflicts their lives and those of their families. This debate led to the Government approving the use of Sativex, a cannabis-derived product that is widely available in the United Kingdom but, until then, denied to patients in Gibraltar – or, even worse, made available to only some. I was glad that the inconsistencies in this had been resolved as a result of this debate, but once again I felt that these measures did not go far enough.

I put forward a list of proposals that would have seen Gibraltar take the lead in the prescription, production, supply and research into these products, a strategy that would have embraced innovative thinking in the field of medical science and would have provided both patients and doctors with further treatment options based on the benefit of a natural product. Sadly, I did not win the argument, but I am proud that I fought for this important cause and that I stuck to my progressive principles. I am confident that, in time, these products will become increasingly available to local patients, but what saddens me, however, are the many pained tears that will be needlessly shed in the meantime.

In my inaugural Budget speech last year, Mr Speaker, I vowed to take the Government to task on matters where I felt it was necessary. My record over this time has proved how committed I have been to this. I have drawn the Government's attention to issues as diverse as the worrying

1625 hole regarding student loan payments, where it transpired that Government was not even
aware of this historical debt while local students were being chased up to pay debts defaulted by
the Government; of broken promises made to the Private Sector Workers and Pensioners
Association, who in this Budget still receive little attention, despite the Chief Minister's boasts
1630 about the conditions of local pensioners; of the contentious and now apparently politically
trendy concept of co-education and how a focus on this should not detract from other priorities
facing our education system; on the poor security of some of our schools; on the issue of taxi
licences; and even on the state of the paving in Main Street. In some of these cases, Government
has itself commended my contributions and has taken action on the issues I have raised. On
other matters, regrettably, they have not been so forthcoming. For example, I congratulated
1635 Government on making the Victoria Stadium a smoke-free zone, but I proposed a further ban on
smoking in children's play parks. This is something which Government said they would review
but, as yet, nothing has materialised. My opinion, as well as one shared by many parents, is that
this common sense solution should be implemented with no further delay.

There are also still grave questions that need answering on some aspects of the purchase of
1640 the new Calpe House building. Our community is rightly very proud and fond of this institution,
but the asbestos issue has cast the light of scrutiny on some seemingly opaque practices, leading
me to call for a Government-led investigation, calls that have hitherto fallen on deaf ears. I have
fought this fight on my own, but it is one that I am willing to continue until this Parliament gets
the answers that it deserves. Likewise, I famously challenged the Government on school lunches,
1645 a matter that still does not seem to have been satisfactorily resolved. In some of these cases, I
have found the Government's response to be evasive, defensive and, in this last example,
downright belligerent.

All of this flies in the face of the nonsensical accusations that have been levelled my way that
my role is to be a cheerleader for this Government. The evidence clearly demonstrates that
1650 nothing could be further from the truth. I have criticised the Government on a wide range of
issues, but where I have disagreed with them I have tried to offer pragmatic solutions rather
than standing on the sidelines picking holes. And when I have agreed with them I have said so,
because Gibraltar is as fed up of criticism for its own sake as it is of those constant reminders of
the GSD's 16 years in office. In fact, Mr Speaker, those detractors may wish to consider instead
1655 those times when I have supported the GSD Opposition in their dealings with Government. I
fervently agreed with them, for example, on the issue of the lamentable state of North Front
Cemetery, and wholeheartedly supported the motion tabled by my hon. colleague Trevor
Hammond, and I am sure that he matches my disappointment in seeing that this House's
resolution has not yet completely rectified the situation.

1660 Like the rest of the Opposition, I also expressed concern at the £300 million mortgage taken
on Government housing estates, a matter which I will take up more forcefully later in my
response to the Budget but which at this point serves as an example of the times when the
entire Opposition has been united on a matter of grave importance.

I have appreciated the Opposition's support on some of the other issues I have raised,
1665 particularly that of staff morale and discontent at the employment practices in the GHA, an issue
which I first raised in this House and which has been pursued further by my Opposition
colleagues. Despite this Department's huge budget – one that is warranted, given its importance
to our community – the GHA still went over budget by 15% in the last financial year. For this
cost, we would not be blamed for expecting a Rolls-Royce service that is fit for the purposes of
1670 each and every one of our citizens. Instead, however, we are seeing a staff that feels
demoralised and burnt out and which recently threatened to walk out over these conditions.
Likewise, we are seeing patients who, as a result of this mayhem, find themselves lacking
confidence in this most crucial service provider. There are also concerns about how the
integration of the Care Agency with the GHA is being handled. The Care Agency employees are
1675 apprehensive about some posts being eroded by this process, and it is clear that there need to
be more detailed consultations with employees as this delicate negotiation proceeds. A common

complaint among Care Agency and GHA employees is the lack of response to their concerns, and I am sure that they would appreciate greater openness and inclusion as these important decisions are made.

1680 Mr Speaker, I will continue to take this Government to task on issues of health and also housing, because most of the priorities concerning the many constituents who have come to see me over this time have revolved around these two portfolios, and I will continue to fight on their behalf, be it on my own or with the other individuals sitting on this side of the House. This is not about party politics, but about doing what is right; and besides, I am a 41-year-old mother of
1685 four – I think my cheerleading days are long behind me. Instead, what Gibraltar needs are politicians of conscience and of a sense of responsibility, and working towards meeting those expectations is all that matters to me.

Education is another important priority for our community. Mr Speaker, I have been determined to continue my involvement in this area with regular meetings with the Gibraltar
1690 Teachers' Association and by reaching out to the main stakeholders in the educational field, namely teachers and support staff, parents and of course students. It must never be underestimated that teachers are responsible for the future of our community, and we must never set them or the students in their care up to fail in this responsibility. Government must support educators as their current successes will breed future ones, and unfortunately I have
1695 often found myself dismayed to learn about the issues that teachers confront on an almost daily basis. We are talking about a profession with noble intentions and with the interests of students firmly at heart; but sadly we are also talking about one that is regularly frustrated and demoralised in the exercise of its crucial duties.

A main complaint is that of environment. Many of our school buildings are in a serious state of disrepair. There are issues of overcrowding, of underinvestment, and of facilities and equipment that are well past their sell-by dates. How can we expect our teachers and students to thrive in these environments? *(Interjection by Hon. Chief Minister)* Five, six, seven new schools have been promised within this term of office – I do not know how many – but so far we have seen little of substance, one has to admit, with teachers instead facing the uncertainty of
1705 rumours and having to deal with a make-do culture that is inappropriate to the demands of the profession.

There are also issues with recruitment, selection and promotion, with schools sometimes having to wait lengthy periods for vacancies to be filled. This has a significant impact on school planning and continuity, as well as on pupil progress. Furthermore, these periods of uncertainty
1710 have a devastating effect on teacher morale and on the very fabric of a school staff. It is clear that a far more modern and expeditious process is required, not just new schools, and one that moves away from tiresome bureaucracy and that more truly reflects the needs of schools. Head teachers should not have to face having to prepare for new school years without their school's complement being filled, and a proactive system that pre-empts forthcoming vacancies would
1715 go a long way towards ensuring an efficient process that would ultimately best benefit our students.

Security is another grave concern for Gibraltar's teachers. It is a sad reality that access to some of our schools needs to be more tightly regulated. I do not feel that this is the correct forum to give precise details on some of the holes in the security of particular schools, but I
1720 welcome the Minister of Education's commitment to rectifying this situation as soon as possible, because the reality is that we cannot continue to expose our teachers to any dangers that are presented by their profession and by the current times, and I am pleased to see that this is being made a priority.

Likewise, we also need to recognise that the ICT provision and support in our schools is failing
1725 to keep up with the advances of the technological age, placing education at a significant disadvantage. Our students need to be supported to succeed in the world of tomorrow, and this requires investment in the ICT of today. It is simply not acceptable for teachers and students to

have to work with outdated and occasionally faulty equipment, and proper investment in these areas will demonstrate to these stakeholders that their contribution to our society is valued.

1730 Mr Speaker, there are also concerns about the programme that is currently offered in our secondary schools. While it is right that we celebrate our schools' successes at GCSE and A-Level, we also need to consider what is on offer for students with different abilities who can still make a valuable contribution to our community when given the correct support and curriculum. A clear vocational programme with long-term aims needs to be designed in order to address this
1735 gap in our educational sector, ensuring that there is no shortage of skilled labour in the Gibraltar of the future. The College of Further Education's role in all this should also be examined, given that some of its former responsibilities have now been redistributed to the secondary schools and to the University of Gibraltar.

1740 The educational sector is being placed under tremendous pressure to succeed amid very difficult circumstances, and it is a testament to the integrity and professionalism of teachers and support staff that our students are succeeding despite these difficulties. They also raise issues in areas such as lunchtime provision and health and safety in schools, all valid criticisms from the people at the front line of education. Many point to the University of Gibraltar and question why our younger students cannot have access to similar investment.

1745 And, of course, many in the profession would also welcome precise details about how the move to co-education is going to be implemented, with teachers and parents expecting clarity on what could potentially be one of the most important educational decisions our community will face in generations. By ignoring our educators, Mr Speaker, we do a huge disservice to our children.

1750 Our children now need to be placed at the forefront of our priorities, because Gibraltar is facing one of the most turbulent and uncertain times in our history. The result of last year's EU referendum has made many Gibraltarians feel uneasy about our future. There is a natural concern about how Gibraltar will continue to prosper outside the common market and about how our neighbours may exploit the situation to further their ambitions and make life difficult
1755 for Gibraltarians. The reassurances that have been given by the UK government are welcome, but they do not fully eliminate the doubts we now face. Of course, this situation is not one of our choosing, but we must nonetheless accept it and present Gibraltar's case with both eloquence and passion. To that end, Mr Speaker, I presented a submission to the House of Lords EU Select Committee's inquiry into the implications of Brexit for Gibraltar, the only elected
1760 Member of this Opposition to do so. I felt it was my duty as a parliamentarian to supplement the Government's submission and clearly communicate the concerns among our community. It is easy, among the talk about the economy, trade, movement, customs and all the intricate technicalities of a Brexit negotiation, to forget the human angle, and I felt it was important to impart to the committee the worries of the average Gibraltarian who faces this future and this
1765 uncertainty. These worries were confirmed when the EU's negotiating guidelines revealed the infamous clause 22 – now clause 24 – that effectively grants Spain a double veto over Gibraltar issues relating to Brexit negotiations. Once more, it was necessary for Gibraltar's politicians to mobilise themselves in defence of our rights as the world's media spotlight cast a bright light on this injustice. I appeared on both British and Australian television and radio, while also
1770 submitting articles to international publications, continuously defending Gibraltar's cause and drawing attention to the hypocrisy of Spain and the EU's stance. (**Hon. Chief Minister:** Hear, hear.) At these times, I have consulted the Members opposite and ensured that Gibraltar was presenting a united front on all matters relating to Brexit. (*Banging on desks*)

1775 I have given the Government both time and space to co-ordinate their efforts in these troubled times and have offered them my support and my advice – for what it is worth – and I have done all this, Mr Speaker, because this is a time too critical for party politics and partisan priorities, and one instead of concord in our vision for a post-Brexit Gibraltar. I have spoken to visiting MPs and MEPs, and while I might feel that the Brexit Select Committee should be meeting more regularly, I have taken my membership of this body seriously simply because

1780 Gibraltar cannot afford for this to go wrong. (**Hon. Chief Minister:** Hear, hear.) (*Banging on desks*) And it will not go wrong, Mr Speaker. Gibraltar has weathered so many storms that fate and injustice have thrown in its path, and we have always emerged stronger and more dignified. We have coped with sieges and floating batteries, with bombs and evacuations, with closed frontiers and naval incursions, and I have no doubt that once again Gibraltar will emerge from
1785 this confusion as a prosperous and thriving community, as ever an example for the world to follow.

My attention now turns to this year's Budget. The annual debate of the Government's financial plans for the year ahead is a necessary demonstration of the openness and transparency required in a modern democracy. Parliamentarians should never forget our
1790 responsibility towards the taxpayers of Gibraltar, and it is imperative that these discussions are had. The issue of such transparency has been given significant focus by my Opposition colleagues, especially Roy Clinton, who have been calling for a Public Accounts Committee to be set up in Gibraltar. I sympathise with the principles behind this plea, but I also understand the Government's concern with the logistical and administrative problems this could cause. Indeed,
1795 Mr Speaker, you better than anyone will probably remember that my father's AACR Government adopted a similar move in the 1980s, only to find the system unsuitable. So, in an attempt to satisfy both sides of the argument, I once again repeat my call, as I did last year, for an Autumn Budget Statement, similar to the one had in the United Kingdom, that will add a layer of transparency and accountability to how the Government uses Gibraltar's money. This would
1800 present a valuable opportunity for parliamentarians to monitor spending without over-taxing civil servants with tasks that may remove them from directly serving the public, and I trust that a Government that has always prized transparency will not hesitate to consider the idea.

But, for now, I would like to thank Government for providing this year's Budget book – this Budget book – but I feel compelled to ask: where is the other book, (*Banging on desks*) the one
1805 with the details of borrowing and spending of all Government-owned entities and, most importantly, the spending that has been conveniently kept out of the public eye through financial engineering and legal opinions? Because, my hon. Friends, we are being asked to assess a Budget that is incomplete and presents only a part of the Government's borrowing and spending. There is an equally important budget of borrowing and spending that is never
1810 reported, debated or accounted for. This must change. Otherwise, this can feel like a hollow process, and one that does not give the appropriate scrutiny to how Gibraltar's finances are handled. (**Hon. R M Clinton:** Hear, hear.) There is no real distinction between the Government's useable cash reserves and the pools of cash held by Government-owned companies. Similarly, there is no material difference between the debt held by one public entity and another. It is all
1815 public debt, just as all Government spending is public spending. It should all be reported and accounted for to Parliament in *this* Budget. Pretending there is a difference and labelling some of the Government debt as unrelated to the public sector is doing a great injustice and the people of Gibraltar cannot be kept in the dark any longer. Across the community there is a growing demand for the Government to present the true picture of public finances and
1820 spending.

It may be a tough fact to swallow, but public debt includes the borrowing of public sector entities. This is the case in the UK, in the EU and across the world. Otherwise, does it not show the budget process to be little more than a sham?

Mr Speaker, our Government taxes and borrows in order to meet planned expenditure, so
1825 therefore I petition the Government to report on all current and planned Government expenditure. This is the only way to prevent our people feeling that they are being kept in the dark about what is being spent by Government-owned companies. It is wrong, Mr Speaker, to pretend that this spending is unrelated to the public sector, and I urge Government to rectify this issue in order to achieve the full transparency that this electorate deserves. (*Banging on desks*)
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It is illogical, Mr Speaker, that what is missing from this year's Budget is the largest financial transaction undertaken by the Government this past year: a £300 million loan, mortgaged over the lion's share of Government-owned housing – our prized assets; £300 million amounts to over 97% of net public debt forecasted for March 2018. It is hugely material to the Budget presented. As much as we may be lured to believe that this loan is an investment in Gibraltar, the cold fact is that it is not an investment: it is a mortgage on our estates. *(Banging on desk)* When the term 'investment' is used to describe a loan, people are being misled in a fundamental and diametrically opposed way. It is abundantly clear that the groups that lent the money to the Government did so in return for a first lien on 80 estate buildings and a Government guarantee to return the capital with interest.

Let's be very careful about what we are doing and saying here. If we are saying that the London lenders who provided the capital are bearing the risk of the investment, then we are also saying that there is a chance that the Government will default on the £300 million loan and the estate homes repossessed.

So, what are the Government's spending plans for the £300 million? How much has already been spent? What are the returns from this spending that our estates are collateralising? This is also the Budget that I would like to hear about, and I cannot sit idly by and watch the people of Gibraltar being presented with only half the story. *(Banging on desks)* We deserve more, Mr Speaker, much more. Government has said that this borrowing is earmarked for infrastructure and other profitable ventures, not manifesto commitments or ordinary Government spending. However, we are yet to receive in this Budget or elsewhere detail of the actual use of proceeds. Gibraltar has made a significant infrastructure investment in the east side that has been looking for a developer for several years. How does the Government plan to be more successful with additional infrastructure investments and land reclamations while the east side reclamation lies barren?

Much of regular Government spending, such as roads, parks, health services, education-related spending and university fees, have no specific identifiable monetary return. Can the Government guarantee that the borrowed money will be used to invest in projects with a higher return than the return promised to our lenders? What is the planned timing for the undisclosed spending? If we are indeed headed towards harsher times, then we need to tighten our belts and take prudent measures rather than doubling down by borrowing large amounts at a time of increased Brexit-related uncertainty. We should be protecting our borrowing capacity, rather than burning straight through it.

For the sake of transparency and accountability, Mr Speaker, it is important for a broad range of information on public sector liabilities, obligations and contingencies to be made readily available, whether or not formally included within Government balance sheets. Concerned Gibraltarians see the increase in off-balance sheet borrowing from the savings bank followed by the estates mortgage as clear evidence that the Government has over stretched financially, and, as a result, it is now having to mortgage the family silver. But how can Government reassure us to the contrary when we are not actually entitled to scrutinise them?

Debt is highly addictive, Mr Speaker: the more you borrow, the more you need to continue borrowing to keep up with the increased spending levels. If the Government's first term spending was partially funded by the debentures of pensioners and savers, and the second term by the mortgage of our housing estates, how will the commitments of a potential third term be funded? When we increase borrowing and spending in an unsustainable way, we are selling off our future income – we are spending today our children's income of tomorrow.

Mr Speaker, we live in a world that does not respond well to a lack of transparency. We have witnessed economies suffer and even collapse as a result of incomplete government reporting and unchecked spending. Typically, when the actual state of government finances emerges, addressing the problem becomes costly and painful.

We need Gibraltar to run a sustainable, responsible and fully transparent sector. There is no viable alternative, not even on a temporary basis. The stakes are too high. It is not important

who started borrowing and spending off balance sheet; what is important is who has the courage to end it. I implore the Government to find that courage for the good of our democracy and for the security of our future.

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The Budget is also an exciting time for a politician because it sees the Gibraltarian public engage more directly with this House. To this end, I publicly invited Gibraltarians to submit issues and concerns that they would like raised in this Budget session. Their responses ranged from much anticipation about the long-awaited tunnel, which is causing chaos and mayhem on our roads, to much concern on general Government overspending, or even to an elderly gentleman telling me that he was denied use of the hydrotherapy pool due to lack of manpower, as was the excuse given. So, Mr Speaker, it seems we cannot even get our basic needs to run smoothly, and yet there we are borrowing £300 million that we cannot even ask questions about.

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The state of our schools was also a big worry for many parents who spoke to me about the deplorable condition of the toilets and walls, with classrooms suffering from lack of heating in the winter and air-conditioning in the summer. And even if, Mr Speaker, we have been promised five, six, seven state-of-the-art new schools within this electoral term, this does not excuse what our children and teachers are enduring in this day, every day. Unsurprisingly, I received a number of complaints from parents about the state of St Martin's School. These ranged from severely cramped conditions to the fact that portakabins seem to have been added to the most impractical of places. This is causing chaos at pick-up and drop-off times, particularly for children in wheelchairs, and I can only imagine what the situation must be like on rainy days. Even if a state-of-the-art new school is planned for St Martin's, Mr Speaker, the current building cannot be neglected in the meantime in this way.

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I also received concern about the shortage of businesses open on weekends, especially when cruises are in town, as well as the lack of tourist attractions open on Bank Holidays. This dents our tourist product and economy at a time when we should be looking to be more dynamic than ever, Mr Speaker.

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So, offering our citizens a chance to express their thoughts and ideas about the current state of our homeland made for an interactive exercise that reflected the anxieties of the average Gibraltarian. In addition to mentioning these issues at this stage, I would like to reassure the respondents that I will be drawing the Government's attention to their concerns over the course of the parliamentary year and hope to get helpful and purposeful answers over the course of these debates.

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Individuals from the finance sector, for their part, also reported some reflections. With reference to insurance firms, in Enterprise we have seen a failure that sent shockwaves across Europe, yet any introspectiveness has been slow to progress, and if there have been findings they have not been made public. If we see another failure on this scale, can we recover, is the question. And as for gaming, with Paddy Power and Betfair leaving Gibraltar, and 888 and others mulling their positions, can we continue to use our tax regime as the primary draw for gaming firms? Access to the EU is no longer on the table. Uncertainty prevails, yet the current administration has placed us in a position of debt, the extent of which we have never seen and cannot see at the moment. Is austerity their answer? Is this another sign of a dark budget that must be brought to light, Mr Speaker? We have also seen Barclays leave, and Newcastle Building Society recently announced its departure. Last year, NatWest revealed that 13 staff members are being made redundant, despite the high-profile departure of Barclays. Why are we seeing workforce being trimmed when there is more demand on their service? We should seek assurances that they would remain, Mr Speaker, because we need a global bank for our global marketplace.

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With reference to distributed ledger technology we must be cautious in our approach to the regulation of virtual currencies, which are still immature and subject to skirt money laundering laws and legislation relating to the financing of terrorist activities. We must ensure the same strong controls and diligence that we hold our financial services to should not be compromised

1935 in our attempt to attract these firms to Gibraltar, and no shortcuts to regulation should be put in
place. We should work with the early pioneers in these fields, while being bold in seeking to be a
global leader in this space. These are all valid questions and concerns from experts in this field,
Mr Speaker, and I look forward to raising their concerns more directly in Parliament and
receiving suitable clarifications and reassurances from the Government benches, because this is
1940 exactly what this Budget process should involve, Mr Speaker. This is a debate, an exchange of
ideas where we consider various views and form conclusions based on what is best for the
community we represent. As a Member of the Opposition it is my duty to challenge this Bill and
continue taking the Government to task. It would be remiss of me not to raise the many
concerns that are being expressed by members of the financial sector about the lack of clarity
1945 and transparency in this Budget.

I am disappointed that some of the issues I have raised about education, health, housing,
transport and many others are being neglected, and I worry about how sustainable these public
debt figures are for our community – and I pray that the Government is correct in all its
calculations and reassurances.

1950 However, I must say I find the Opposition's unprecedented decision to vote against this
Budget irresponsible, cynical and completely against the interests of Gibraltarians. **(Several
Members: Hear, hear.)** *(Banging on desks)* Irresponsible, because if it were to take full effect,
the consequences to the community would be devastating, paralysing our community in its
entirety from our schools to our economy and our essential services. *(Banging on desks)* None
1955 other than Sir Peter Caruana himself – who has been dubbed as the greatest Gibraltarian of all
times, although maybe I have a different view about that **(Several Members: Hear, hear.)**
(Banging on desks) – the own GSD's own erstwhile leader, once remarked that it was important
for all parliamentarians to vote in favour of a budget 'in order not to deprive the Government of
funding and civil servants of their pay'. I therefore find this move to be little more than a
1960 cosmetic and sterile marketing stunt that smacks more of desperation than it does a responsible
approach to politics.

I have decided, instead, to put the interests of Gibraltarians first, as did the greatest
Gibraltarian of all times. *(Banging on desks)* It has been a longstanding tradition for politicians in
this House, in an act of statesmanship and responsibility, to vote in favour of budgets, even if, as
1965 is the case with this one, they have honest doubts about them. I will not deploy gimmicks which
undermine the welfare of civil servants and basic public services, if only symbolically, and I will
not allow my vote, meant to represent *only* these interests, to be abducted in this way. I will
therefore honour this longstanding convention and vote in favour of the Budget,
notwithstanding the many criticisms I have already made. *(Banging on desks)* But this support,
1970 Mr Speaker, comes with a word of caution. I urge the Government to heed the concerns that
have been expressed from these Opposition benches on issues of transparency and rigour.
These concerns are not just from the mouths of opposing politicians, but also from financial
experts and members of our community who are genuinely anxious about our nation's spending.
The questions that are being asked are legitimate ones and the Government needs to address
1975 them, because if the Government does not heed these concerns it may find that it will not just
be Opposition votes that it will risk losing.

So, to conclude, Mr Speaker, we are coming to the end of an eventful period, both for myself
and for the political world as a whole. As I look back over these past 12 months, though, I find
myself increasingly secure in my role, a far cry from any doubts I may have had when I addressed
1980 this House at the last budget session. From what has been termed by some as this 'rocket chair',
where two former Chief Ministers have sat before, from the minority status that has in times
been enjoyed by the likes of Joe Bossano, Dr Joseph Garcia, Peter Montegriffo and Sir Peter
Caruana, I have been able to discern my role most clearly: to provide a constructive opposition,
one that challenges the Government when it is warranted but supports it when it is deserved.
1985 My role here is not to simply pick holes, but to help fill them and to provide Gibraltar with the
honest and productive democracy it merits.

1990 My position has given me an invaluable vantage point from which to obtain a true sense of the needs of our times. Mr Speaker, I have come to realise that this is a time for courage, not cowardice; a time to step forward and show face, not to hide behind fake profiles; a time for leaders, not mouthpiece activists; a time for stability, not disarray; a time for solutions, not problems; a time for criticism, not ridicule; a time for constructive proposing, not destructive opposing; a time for hope for a better future, not a craving for chaos in order to reach one's personal goals; a time for conviction, not indecision; a time for leading, not in-fighting; it is, Mr Speaker, a time for something new.

1995 People all over the world are crying out for a new kind of leadership, Mr Speaker, one that reflects the real hopes and aspirations of the people, built on the values of generosity and closeness, on honesty and on a bold, optimistic approach to politics. In response to massive global challenges, people are starting to vote not only with their minds but also with their hearts. I believe that here too, in Gibraltar, people want politicians who are close, honest and understand their real aspirations; politicians who work for their citizens, not for partisan visions, egos or agendas. (**Hon. Chief Minister:** Hear, hear.)

2000 I became an independent MP because I was not ready to let myself be dragged into the mire of mudslinging politics. (**A Member:** Hear, hear.) I will therefore not respond to insults and petty accusations thrown at me in this House. Nor will I engage with social media bullying, through fake profiles or not – not even, for example, with the Leader of the Opposition, who hides behind the profiles of members of our community to fight his battles against me. (*Interjections*)

2005 And you, Mr Speaker – (*Interjections*)

Hon. D A Feetham: Mr Speaker, a point of order!

2010 **Hon. Ms M D Hassan Nahon:** And you, Mr Speaker: stand up and be counted!

Hon. D A Feetham: A point of order! (**Several Members:** Hear, hear.) (*Banging on desks*)

2015 **Hon. Ms M D Hassan Nahon:** Stand up and be counted! Stand up and be counted! (**Several Members:** Hear, hear.) (*Banging on desks*)

Hon. D A Feetham: A point of order, Mr Speaker!

2020 **Mr Speaker:** May I ask –

Hon. D A Feetham: Point of order, Mr Speaker.

Mr Speaker: Order!

2025 **Hon. D A Feetham:** Point of order, Mr Speaker.

Hon. Ms M D Hassan Nahon: If I may finish –

2030 **Mr Speaker:** May I ask the hon. Lady to sit down, and I ask the Hon. the Leader of the Opposition to sit down – and they are not to shout at me. I have told him before that I am not prepared to have him shout at me. If you want to raise a point of order, you do so calmly, but you do not shout at the Speaker. If he is in doubt as to where that comes from, he can read through this, as I was doing yesterday afternoon, anticipating, as I was, some trouble.

2035 Now, what is your point of order – and tell me, what is the Standing Order? What is the rule from this book under which you are raising your point of order?

Hon. D A Feetham: Mr Speaker, the point of order is very simple. The hon. Lady has got to make herself responsible for any allegations that she makes before this House. She has said that I am hiding behind a fake profile or a profile from a member of this community. That is utterly false, and therefore if she has any evidence in relation to that she should bring it – or what she can do is not hide behind parliamentary privilege and therefore make the allegations outside, where at least I can then basically challenge her. *(Interjection)* **(Mr Speaker:** Order!) Mr Speaker, there is a rule in this House that you cannot make allegations without making yourself responsible factually for them, and what she has said is utterly not true.

Hon. Ms M D Hassan Nahon: Mr Speaker, I am grateful for that. I think it is very important for the Leader of the Opposition to demand clarification.

I actually know the person that the Leader of the Opposition hides behind and I met him in Irish Town and asked him why he was speaking against me about Calpe House – Mr Michael Bain – and he told me, ‘Well, you know, it’s the Leader of the Opposition, who uses my profile,’ and I told him, ‘There’s a very easy way’ – *(Interjection by Hon. D A Feetham)* Mr Speaker, can I speak now, because I did not interrupt him. I said, ‘There’s a very easy way to stop that by changing your Facebook profile,’ and he shrugged like he did not really feel like he wanted to ask the Leader of the Opposition to do that.

So I am very, very comfortable with what I am saying in Parliament –

A Member: It’s in *Hansard*.

Hon. Ms M D Hassan Nahon: – and I want the media to know that they are welcome to interview me outside whenever they want and I will repeat the accusations because I know that they are true and I was told by the very person; otherwise I would not be so irresponsible. And let me say, Mr Speaker, he also attacks you under the profile of Michael Bain. *(Interjection)* Anyway, if I can carry on –

Hon. D A Feetham: Outrageous, Mr Speaker!

Hon. Ms M D Hassan Nahon: Yes, what is outrageous is for the Leader of the Opposition to be using another member of the community’s profile instead of *dando la cara* as the Leader of the Opposition should. *(Banging on desks)* **(Hon. D A Feetham:** Outrageous!) Yes, it’s very outrageous – it’s never been seen before!

Hon. D A Feetham: You’re destructive!

Hon. Ms M D Hassan Nahon: Yes, yes, I’m destructive –

Mr Speaker: Would the hon. Member please sit down.

Hon. Ms M D Hassan Nahon: I’m destructive to your aspirations!

Mr Speaker: Since 9.30 this morning we have had an excellent debate in which very high standards have been achieved and in which elected Members have been doing the business for which the electorate have put them here and pay them, by and large, most handsomely. I would urge hon. Members to keep to that high standard. It is a pity that at the end of nearly four hours of excellent parliamentary debate anyone, by an injudicious word, should lower the standard and bring the House into disrepute.

I urge hon. Members for the rest of this session: keep your cool. Do not shout, keep your cool – if you do not, one of you may have to sit in this Chair because I am not prepared to allow this House’s standards to be lowered. I have always said that I am the Speaker of Parliament,

2090 dedicated to maintaining the dignity of this Parliament for the sake of the city and the nation that we all love. So keep your cool and let us see if we can finish the session, renewing tomorrow morning as we have done up until now.

The hon. Lady.

2095 **Hon. Ms M D Hassan Nahon:** Mr Speaker, as I was saying, I did not leave the comfort of a party bench for this, and I did not expose myself to attacks from both sides of the House to engage in a childishness that disappoints and alienates the electorate. This is the real toxic behaviour we suffer from, Mr Speaker, and I have moved away from this for good. My job is to propose and to be useful for the Gibraltarian electorate, and this is what allows me to stay
2100 relevant, even if I am on my own. So I will continue working for the good of the people of Gibraltar regardless of how this impacts on either of the parties in this House. I work for them now, not for any of you.

I feel that this new direction is just beyond the horizon, that these uncertain times are calling for an end to a stagnant political scene that has been dominated by the same two parties for
2105 over 25 years. These 12 months have shown me that I am ready for the next challenge in my political career – to offer Gibraltar new options, new ideas and new directions. I have proved that there is room in this House for a different way of doing politics, and I hope that the people of Gibraltar feel excited, like I do, about the possibilities that this could offer. I face the next year with optimism, with energy and with an unshakeable belief that the next 12 months will see us
2110 all emerge stronger together.

Thank you, Mr Speaker.

Mr Speaker: The Hon. the Chief Minister.

2115 **Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, I rise, to start my right of reply, to recess the House in order to do that tomorrow, but I would just ... I do not think I can recess the House immediately without saying that it looks like the countdown to ignition on the rocket chair has started. There is much that the hon. Lady has said with which I agree, much with which I disagree, and much which I just cannot believe; and as I pick my jaw up off the floor she has
2120 obviously taken off her rose-tinted spectacles and put on her Hassan-framed spectacles – I think she imitates her father in that respect.

Adjournment

Chief Minister (Hon. F R Picardo): I adjourn the House, Mr Speaker, to tomorrow at 10 a.m., when I will exercise my right to reply in respect of the Bill.

2125 **Mr Speaker:** The House will now adjourn to tomorrow at 10, when we will hear the Chief Minister's winding-up speech.

The House adjourned at 1.37 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.00 a.m. – 1.50 p.m.

Gibraltar, Thursday, 29th June 2017

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The Gibraltar Parliament

The Parliament met at 10.00 a.m.

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

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

Appropriation Bill 2017 – For Second Reading – Debate continued

Clerk: Meeting of Parliament, Thursday, 29th June.

Mr Speaker: The Hon. Chief Minister.

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Chief Minister (Hon. F R Picardo): Well, Mr Speaker, what a year it has been since I last summed up a Budget in this House, in political terms at an international level but indeed in political terms at a national level, and some of the things that we are seeing played out on the benches opposite are really without precedent in the parliamentary history of Gibraltar. But the political history of Gibraltar is something that we shall look at now in some detail in the context of this debate, in the context of Budgets, Appropriation Bills, debates on the Estimates in this House since the 1969 Constitution, to understand what it is that has played out in the past 72 hours and the import of what it is that some purport to do in this House.

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Mr Speaker, perhaps it is because it is already summer that some of the debates get heated and people get hot under the collar, because it was not ever thus in this debate. It was not always an acrimonious debate, where people got hot under the collar and said things about their opponents that are really, although parliamentary, not designed to produce a Parliament working together. And of course I say all that under the spectre of the first time in the history of this Parliament – indeed, in the first time of the history of democracy in Gibraltar, going back before the lifetime of this Parliament and before the 1969 Constitution – that an Opposition has threatened to vote against the appropriation sought by the Government.

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But of course I say an ‘Opposition’ for shorthand. I should say an ‘official Opposition’, because the hon. Lady, although she has had a hammer-and-tongs go at the Government in some of the things that she has said, understands the importance of voting in favour of this appropriation. And I thought I might be able to say the ‘official Opposition’, and yet last night on the principal television news programme I find out that it is not even the whole of the official Opposition that is going to take that position. I know that Mr Reyes, for very good reason, which he has explained to me – he had the courtesy to explain to me in person yesterday – is not going to be here and is therefore not going to be able to exercise his vote, but it is the first time that a Leader of the Opposition has said, ‘I am going to lead such of my faction as might decide to follow me on this occasion to a negative vote on the Estimates.’

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If that is going to be a parliamentary change, Mr Speaker, we need to understand whether it is a good thing for Gibraltar that that is going to change or a bad thing for Gibraltar that the tradition is going to change. And if it is a bad thing for Gibraltar that it is going to change, Gibraltar will know how to deal with those that have brought about a bad change for Gibraltar, because all of us who are here are passionate about Gibraltar – and let me make space for one

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of the persons who has been most passionate in his life and has demonstrated it with his contributions in this House for many years.

Mr Speaker, we are all passionate about Gibraltar and that passion for Gibraltar is supposedly what brings us here to make the effort to be in politics, to make the sacrifices that being in politics entails. We are not supposed to be here for our egos, we are not supposed to be here to give full vent to our political ambitions or indeed our accounting peccadillos; we should not be here for anything other than for Gibraltar. Wherever Gibraltar puts us, on that side or on this side, our first and guiding principle must be to do right by Gibraltar. We do that in an adversarial system and we have to therefore do it by way of confrontation. I defend the adversarial system, I think it is a good thing for Gibraltar, but always with us in an adversarial system being advocates for Gibraltar, not for ourselves individually, as some appear to be. And yet in this debate some people have come apparently not caring about Gibraltar and not caring about the consequences, of the things they have said and of the things they have said they will do, on Gibraltar.

Some people, Mr Speaker, seem to care more about the headlines they might grab than on the effects their words could have on Gibraltar, and I am going to focus on two. I am going to focus on Mr Feetham and Mr Clinton, because I think what I have to say about this subject has to do with them and not with the other Members – even of the official Opposition, let alone Mr Llamas. Being rivals in an adversarial system should not seek to bring us into a situation where, in order to undermine each other, we forget about the interests of the client, although I know many instances where perhaps we might have that discussion about some on the other side and their client might not have been the most important thing in their minds.

So let's do this exercise, Mr Speaker, looking at the political history of Gibraltar, and let's see what the political history of Gibraltar teaches us about debt, hidden debt, company debt, inflated accounts, flattered accounts, allegations of bankruptcy and allegations of potential bankruptcy. I am going to start in the administration of the IWBP in 1969-72. History, we all know, will teach us everything and it is a fool that thinks that history will teach us nothing, but history is sometimes a dense subject. If anybody thinks that this is going to be a dense exercise, they would be wrong. This exercise I think is going to be very informative, and anyone who is even in the slightest a political buff or a political geek is going to enjoy it, and anyone who has the economic interest of the history of Gibraltar and the future of Gibraltar in mind is going to see how important it is to do this exercise.

Mr Speaker, I have pleasure in telling you that you are going to feature prominently in the historical exercise I am going to do. Given the experience that we always refer to you having, you are therefore an important participant in the exercise I am going to do.

I cannot, I confess, find a good record of *Hansard* reflecting the debates on Estimates between 1969 and 1972; I can find the vote but I cannot find the detail of the debate. There is a much better *Hansard* available for 1973 onwards, which is the AACR administration, and so I am going to be able to quote more extensively from there. But let it just be clear on the record that between 1969 and 1972, with Bob Peliza as Chief Minister, Sir Bob Peliza as he then became and Speaker of this House also, and Joshua Hassan as Leader of the Opposition, the fearsome political operator – you do not become Chief Minister of Gibraltar for 40 years without being a fearsome political operator and it is obvious there are people in this House who have his legacy, Mr Speaker. On that occasion, in those three years, with Peter Isola as an independent Member of the Government, and Joe Bossano the king across the water at that time, on no occasion did the Opposition, the AACR, which had then been in government for 20 years and found itself for the first time in Opposition, did they ever vote against the Estimates or did they even threaten to vote against the Estimates. Probably nothing worse than being in Government and suddenly finding yourself on the other side, and yet they knew how to deal with that, raising points but not threatening to vote against.

The record of *Hansard* starting in 1973 gives us a much better flavour of the debates that were ongoing, and I can see, reading it and reading those *Hansards*, this House comes to life

again with its old wood panelling that some so miss. It really comes to life, and I can see that the political rivalries in those days were not soured by personal animosity. There is a magnificent quotation from Joe Bossano speaking from the Opposition benches for the first time, doing an economic analysis that ... Maurice Xiberras said:

‘It is the first time we have had a Gibraltarian do such an economic analysis and not a Financial Development Secretary brought from the UK, and what a good thing this would be for the history of Gibraltar to have a Joe Bossano in this House.’

Nothing has changed there, Mr Speaker. Joe Bossano is your shadow but he speaks before you in the context of that debate because he shadows other people, and I think he spoke just after the Financial Development Secretary had presented. But he says something to you, Mr Speaker. He quotes something at you which you had said on television in a debate in the context of some industrial strife in 1972 in the run up to the general election, and these will be the watchwords for my reply during the course of this debate. This is what Joe Bossano says you said on television, and you then later in the debate accept it is what you said:

We have not been elected to preside over the liquidation of the society which, though admittedly imperfect, has been built over the years by Gibraltarians of goodwill. Gibraltar will not be destroyed, so help us God.

Bossano quoting Canepa and saying Canepa is right. We have not been elected to preside over the liquidation of a society which, although admittedly imperfect, has been built over the years by Gibraltarians of goodwill: Mr Speaker, I fully adopt your words and the quotation of you from Joe Bossano.

What was going on at the time? What was the debate about? What was the Opposition, then the IWBP before the Hattersley memorandum, saying in ... I see Mr Llamas has just arrived; I have never been so pleased to see him, Mr Speaker! (*Laughter*) Before the Hattersley Memorandum, what was the IWBP Opposition saying to the AACR that had just got back into government? Well, this is how you reflected, in reply to Joe Bossano, what Joe Bossano was saying of the AACR in 1973’s Budget:

Sir, ever since we resumed this evening at 9.30 p.m.

– late sittings in those days –

we have been hearing the Hon. Mr Bossano mainly on a very – for me, practically a layman in financial matters – very informative discourse on the finances of the territory. I do not think it is within my province to even attempt to answer many of those diverse weighty matters that he has raised.

It sounds like a Cabinet meeting, Mr Speaker!

A message, sir, that has, however, got through to me, has been that of –

– and this is what Bossano was saying –

muddy, hidden-away-somewhere estimates, particularly revised estimates, inflated, sinister transfers of money from the recurrent expenditure into the Improvement and Development Fund, underestimated revenue from a conservative Financial Secretary, or at least underestimated revenue expectations. This is the message, sir that has got through to me and I see it purely under the general heading, or under the general accolade that I expect to be levelled at this Government of being arch super cicutas. However, sir, considering myself, as I say, in these financial matters purely a cicutilla, I do not think I will comment on that.

Well, Mr Speaker, the things that Joe Bossano was saying in 1973 do not seem a million miles different to the things we have heard, apparently as new discoveries from the putative Accountant General opposite! (*Laughter*) But that was in 1973 – 44 years ago; I was one year old – and the Opposition were saying that the Government was hiding money, hiding transactions, that you were inflating the estimates, that there were sinister transfers of money from the

Recurrent Expenditure Fund to be flattered into the Improvement and Development Fund projects.

Mr Speaker, it is exactly the same thing Mr Feetham has been saying for the past five years. Maybe he is a better student of history than I thought. One of the degrees that he has – because
120 I do not know how he managed to get us to pay for more than one – is History, and he is saying the same thing to us that Joe Bossano said to you 44 years ago. So I suppose there is no point getting hot under the collar because of the things that they have said to us this week – Mr Feetham and Mr Clinton, and even Ms Hassan Nahon, although in a much more elegant tone – exactly the same things that Joe Bossano was alleging against you and Joshua Hassan 44 years
125 ago. You see, the only clear distinction, which comes across even then, is that Joe Bossano's position that there is nothing wrong with borrowing as long as it the right sort of borrowing designed for the right sort of purpose, not to pay recurrent expenditure and always in a way that can be repaid and the money invested in income-producing projects.

Mr Speaker, the most important thing to note about the debate in 1973 and the reason why I
130 went to the *Hansard* is that despite all of these allegations – hidden funds, inflated estimates, etc., all of the same things we heard this year – the Opposition voted with the Government to approve the Budget.

Mr Speaker, as history moves on the rows get worse. Usually we think that in the halcyon old days people were just more polite to each other. Actually, what I detect is that the Budget
135 seems to come later in the year from March, April, May, June, and by the time it gets to July there is very little elegance left in the House. I think it has got more to do with the temperature than it does with the age.

But having read what I read when I started the exercise, I am almost minded to sit down, allow them to do what they like and know confidently that our society will not be liquidated, we
140 will not be destroyed and it is very likely that in 40 years somebody called Hassan, somebody called Bossano, somebody called Feetham and perhaps even somebody called Isola and somebody called Picardo might get up and say the same thing, whoever is here, and yet society will not be liquidated, we will not be destroyed.

But let us cut forward 18 years. In that period there are absolutely no instances of the IWBP
145 voting against the AACR, the DPBG voting against the AACR, the Gibraltar Democratic Party voting against the AACR, or even the GSLP in the period 1984 to 1988 voting against the AACR; robust debates, the same sort of issues, but never a vote against. I wonder what it is that makes the hon. Gentlemen opposite think they are better than Bossano, than Hassan, than Peliza, than Xiberras, than Caruana, that they have come up with something that those giants had not
150 thought of.

In 1990, Mr Speaker, Joe Bossano is Chief Minister, you are Leader of the Opposition, and there is an independent Member in the House. Still, Mr Speaker, I find it remarkable when I look at the *Hansards*, the relationship between you – although ideologically, for some reason not in the same party, dancing on a pinhead of differences, but still hugely affectionate. Now that you
155 are Leader of the Opposition, Mr Speaker, this is what you have to say about the 1990 GSLP Estimates:

I shall be dealing not just with what the Estimates for 1990-91 reveal but, what is just as important, if not more so, in our view, with what they do not reveal.

Mr Speaker, we really need to think of something else to say to each other next year.

To finance this growth, the GSLP are taking a huge gamble with their economic plan, a plan which is dependent on investments from outside and investments from the Government by way of an unprecedented level of borrowing. The Government already has powers to borrow up to £100 million.

A huge amount in those days; £100 million must have seemed an impossible number in those days. Debt was then something like £6.4 million in 1988 when you left, and now it was going up to £100 million.

It is the taxpayers of today and not tomorrow who for many years to come will have to pay back these huge debts.

Twenty-seven years ago.

If the gamble does not come off and Gibraltar cannot pay back these loans, then our people, the most important resource we have, as Mr Bossano is so fond of telling us, will be the ones who are going to arrive at the crossroads where one of the signposts points to bankruptcy.

That was very robust, Mr Speaker; it was a very robust speech. It goes on. I wish I could read everybody the whole of it. It was well informed. I could see Bossano with his economic plan versus Mr Canepa with his view of how things should be done – a very robust debate, almost saying, Mr Speaker, you could take us down the road of bankruptcy. We have heard it all before, Mr Speaker. What did you do? Page 145 of the Estimates. Despite that very robust countering of the Estimates presented by the Chief Minister of the day, following tradition, Mr Speaker:

We will vote in favour.

Mr Speaker then put the question, which was resolved in the affirmative and the Bill was read a second time.

Well, Mr Speaker, as we all know, bankruptcy was not the result of those eight years of GSLP Government. You can have many differences of opinion about what the GSLP Government of 1988 to 1996 did, but what it did not do was lead us to bankruptcy. In fact, Sir Peter Caruana, in his own valedictory speech in this debate two years ago, said that those eight years, giving huge credit to Joe Bossano, are what enabled us to deal with the change from an MoD economy to a private sector led economy. And so, far from bankruptcy – although he kept saying that in the four years between 1992 and 1996, to only take it back in 2015 – what Peter Caruana found was pots of cash. This is exactly what he had to say in the *Hansard* of 2015. Talking about Mr Bossano in very affectionate terms, with Joe Bossano appropriately not here to hear him, Mr Speaker:

the great divide

– said Sir Peter Caruana of him and Joe Bossano –

in domestic economic terms was Joe's, I suspect, still held 'rainy day fund' mentality when it comes to economic stewardship versus our approach at the time which was that Gibraltar needed to spend, to grow, to reposition, to create an environment, to create a climate, a fiscal as well as a reputational environment, in which further investment would become more attractive to foreign investors and that way start a snowball rolling which only Government funding at that time could really do in sufficient measure.

So, GSLP rainy day fund. No longer allegations from Caruana versus Bossano of bankruptcy – a rainy day fund. Spending profligacy: GSD policy. So the idea that somehow today the GSD is telling us that we have to have something called a rainy day fund, as if that were something that we needed telling, Mr Speaker ... This is beyond a joke, and this is too serious now for jokes because we are spending, we are investing, but we are also maintaining rainy day funds, something they did not maintain, as we found out when we were elected.

Anyway, I have got to 1990, and 21 years after the 1969 Constitution no Opposition had ever voted against the Budget presented by a Government, even though the accusations flying across the floor of the House were as tough as they are today; perhaps more elegantly put and perhaps, until 1991-92, with less animosity injected into them.

So let's look at what happens when Sir Peter is first elected. Brace yourselves, Mr Speaker, if those who are watching think that they know what the relationship between Bossano and Caruana was like because they remember that it was difficult, but let me read you what Joe

Bossano said to Peter Caruana when he was first elected into the House in his first Budget debate – because I must say I found it to be in disappointingly fond terms, Mr Speaker! *(Laughter)* Joe Bossano, as Chief Minister, said this to the newly elected independent Member, Peter Caruana:

Mr Speaker, before I make my contribution on the Estimates of Expenditure, and indeed on the state of the economy, I would like to take the opportunity as Leader of the House to welcome our newly elected Member and to say that we look forward to his constructive contribution to the debates in this House.

195 He had not opened his mouth yet.

He occupies, of course, the seat that I had for 16 years,

– she knows which one that is, Mr Speaker, the rocket chair –

so he can now start getting used to how long it takes to move from that side of the House to this side of the House. We believe that the role of Parliament has to be not simply to try and trip up the Government but also to help the evolution of good government by making positive suggestions when Members on the other side see things that they in principle are not opposed to, which I think must be a fair proportion of the work that we do.

Exactly as you said Joe Bossano had behaved in the context of his contribution to the Estimates in 1973.

We understand that there are things where there are fundamental policy differences, but in principle, when they are opposed to it we would expect that we would be able to make contributions which would enable us to improve the quality of what we hope to be able to do for the benefit of the people of Gibraltar, and as I say, Mr Speaker, I look forward to his positive contributions.

200 So it was not just Sir Peter being fond of Joe Bossano; in the early days it might have gone a different way.

And then Peter Caruana started his analysis, Mr Speaker. This is the first GSD analysis of a GSLP Budget on record. It is in March 1991. It is essential that we look at what the GSD was saying in 1991, Mr Speaker:

Ministers in this Government, who in effect spend their time wheeling and dealing behind closed doors in relation to public assets that they are not willing to account publicly for what they are doing.

Exactly what we have been told today, or this week.

Mr Speaker, it is, in our view, incorrect and indefensible that public assets and money should be injected, invested or in any other way made available to private companies, whether they be Government-owned or joint venture companies, without public accountability of that fact. The fact of the matter is that hon. Members opposite should not forget that, unlike the practice in the United Kingdom, there is no filing of accounts by companies at the Public Companies Registry and that therefore if the Government is not prepared to give information the information simply never becomes available. Mr Speaker, joint venture companies are, in our view, not just joint venture companies but they are generally being used by this Government as a means of taking traditional areas of Government activity for which they were accountable out of the public political arena and into the commercial field, where they are politically unaccountable.

205 I just think that actually Roy Clinton is a much better student of history than the history graduate, Daniel Feetham, who just pulled this out, did not feel like coming up with new arguments and thought he would just adopt Caruana's.

210 Mr Caruana is saying the same thing we are hearing now about companies, but with the caveat, he says, 'It's because in Gibraltar companies do not file accounts and therefore I can't get my hands on the accounts.' What he did when he was elected was he passed a directive which required the filing of accounts, filed the first year of accounts and then never filed them again – and added to the companies. So what was a sin became a virtue.

He goes on:

I think, Mr Speaker, there is no precedent anywhere else

– I do not know whether I hear Clinton or Caruana speaking now, Mr Speaker –

and, to the extent that we are in Gibraltar, distorting the operation of traditional parliamentary democracy.

215 Is this Monday – or is this 16, 15 years ago?

I have not been able to find a single parliamentary democracy that allows elected Ministers of the Crown to sit as directors in a dual capacity in the commercial sense, Mr Speaker, and then, when asked to give information on companies in which public moneys have been invested, to say that as chairman of the company they cannot be revealed.

He did not change the practice when they took over, Mr Speaker; in fact, they did not even file accounts.

This is a serious distortion of the quality and nature of parliamentary democratic Government as it has hitherto been known everywhere else in the world. Of course, Mr Speaker, we are free in Gibraltar to invent new systems of constitutional government, and then of course it will be up to the people to express a view as to whether they want it or not.

220 So the hyperbole of the denial of democracy, the hyperbole that this only happens in Gibraltar and does not happen anywhere else, which we have heard again and again and again this week. But then also the constitutional argument: this is not allowed under our Constitution in 1969, the argument Clinton puts – Mr Clinton – in the context of this year's debate, unless we design a new Constitution. And yet, Mr Speaker, this Chief Minister, Peter Caruana, when he won, designed a new Constitution and the new Constitution that he designed allowed for everything that he was doing, which is what we have continued doing.

225 He went on:

There is a significant amount of public money in the Gibraltar Investment Fund

– Gibraltar Investment Holdings –

which presumably has been invested in private companies. Mr Speaker, the reality of the matter is that 24% of Government expenditure is now voted on the basis that this House does not know exactly how it is going to be used. The 24% of the money that this House will vote on this Appropriation Bill is in effect voted for, at least by the Members on this side, on a blank cheque basis.

Can they please come up with something different for Opposition, Mr Speaker?

I think that this House should know the full extent of the Government's borrowings either directly or through companies. Mr Speaker, on the question of Government borrowing generally – and of course I hasten to say that it is an entirely legitimate tool of Government economic management and planning, which I have not in itself criticised.

Mr Clinton does, it seems.

However, Mr Speaker, there is concern again, which I bring in from outside this House, as to the extent to which the present borrowings of the Government may become a burden to this and future generations of Gibraltarians if these policies do not work – and again I say that we all hope they will.

230 Well, everything is the same in the analysis from Caruana in 1991 as from Mr Clinton today, except for that last limb, that last important element where Peter Caruana says, 'I hope that these policies will succeed.' There is that underlying pointing out the problem but hoping that it is not a problem and that this works for Gibraltar. I detected that in the things the hon. Lady said. I did not detect an iota of that in the things that Mr Clinton and Mr Feetham said; I almost felt as if they were cheerleading for our failure, Mr Speaker.

235 Mr Caruana then said:

The jury is out on the question of Government borrowings and Government expenditure until such time as we know exactly what these borrowed funds are being applied to.

Exactly the same: tough – his first intervention already showing his ability to advocate in this House in a way that was then to become legend. Six hours he replied for on one occasion. Very tough from the first moment. You should not have welcomed him so graciously, in my view!

240 The Attorney General reported in those days under the 1969 Constitution. The vote was taken. Everybody in the House voted in favour of the Estimates. So, on exactly the same arguments, exactly the same level of gravity, but with a desire to see Gibraltar succeed, not fail, the GSD, then represented through an independent Member, votes in favour of the Estimates.

245 Well, Mr Speaker, the first thing to note about that extract, of course, is that this is a GSD that runs arguments about pots calling kettles black, because when they came into Government they did more of the Government borrowing, they did Government trading companies, they alienated a larger part of the Budget and they found not bankruptcy but pots of gold – but they always voted in favour of the Budget.

250 But that was in 1991. In 1995, in political terms, Peter Caruana was circling for the kill. He would be Chief Minister within a year. All of the same arguments, the raising of the temperature, the borrowing etc., all of the things he would start doing himself within a year and a month, Mr Speaker. But listen to this:

We will take no further part in the debate on the Estimates and the Appropriation Bill and the remainder of the speeches that we were going to make on a departmental basis will be brought to this House by us as substantive motions at the next possible opportunity, which is either this meeting if it is not now adjourned *sine die*, or in the next meeting if it is adjourned *sine die*.

255 They walked out. The argument for walking out was about directives, direct rule and sharing information on direct rule etc. – all of the arguments we have heard already – but even then, 1995 ... I cannot even imagine in my mind a time when I remember Gibraltar more polarised than in 1995, Mr Speaker. The confrontation between the GSD and GSLP was at its highest. People who had been friends were not talking to each other; it was affecting families. Peter Caruana walked out of the House but he did not vote against the Estimates of Expenditure of the Government. Peter Cumming was an independent Member, Mr Speaker, and he voted in favour of the Estimates. So the GSD has never voted against a GSLP Budget and the GSLP has never
260 voted against a GSD Budget, and every independent Member I can find a record of has never voted against the Government on the Budget.

265 But what is really remarkable, Mr Speaker, is that in this Second Reading when they are going to exercise this right to vote in a way that is to deny salaries to civil servants, to close schools and hospitals – and I will come to that in a minute – they have not said one thing about departmental expenditure, not one thing. They have not said, ‘You are going to spend too much in this Department and therefore I am voting against; you are going to spend not enough in that Department and therefore I am voting against.’ They just come up with this overarching constitutional argument, which we have heard a hundred times before deployed by every person who has been on that side of the House as if it were the Opposition tool book – except
270 for Joe Bossano, who made a different argument as Leader of the Opposition – and they say, ‘We are going to vote against.’ I do not know whether they have even bothered to understand the departmental expense.

275 In 1997 Joe Bossano was now Leader of the Opposition. He had been Chief Minister of Gibraltar for eight years, at that time the most powerful man in Gibraltar. Joe was a particular brand of Chief Minister who was seen by people as an impregnable intellect on issues of finances. He comes to a Budget debate where the person presenting to him clearly knows less about the Gibraltar economy than he does, although a very able advocate – what does Joe Bossano do? He says this:

if there were no doubt about the accuracy then we can only describe the effect on the future of our economy and the policy which is going to be implemented over the next 12 months in one sentence, Mr Speaker, never in the history of Gibraltar have so few spent so much in such a little time and on top of it expect to have so little to show for it. We will nevertheless support the Appropriation Bill.

In 2004, very concerned about some aspects of supplementary appropriation:

But we will be of course be supporting the Appropriation Bill as a whole.

280 In 2009, Mr Speaker, I found myself in the very difficult position of having to stand in for Joe Bossano and for Mr Licudi, who were not in the House, during the Appropriation debate. I supported the Estimates. I said this, which I said every year that I was in Opposition:

Gibraltar cannot be without an appropriation and we will therefore be supporting the expenditure proposed in the Bill and the schedules on the terms already identified by the Leader of the Opposition, and we predict that in the next budget there will be no increases in Social Security ...

– because we thought that was going to be the election year.

285 In 2010 the same thing, and in 2011, when I was Leader of the Opposition, I made exactly the same point but I said this:

Gibraltar cannot be without an Appropriation and we will, therefore, be supporting the expenditure proposed in the Bill and its Schedules with the observations that my fellow Opposition Members will be making in the coming hours and days ...

Mr Feetham is not the first Leader of the Opposition I have had to face from these benches. Peter Caruana went from being Chief Minister to being Leader of the Opposition. No sooner had he found himself on that side of the House, one of the things that he said to us in the context of the Budget debate that he was dealing with as Leader of the Opposition was this:

I have to admit, Mr Speaker, that I had forgotten how easy and different life looks from this seat. When one does not have the responsibility of governing, critical comment is absolutely free of charge.

290 My goodness, they have taken the lion's share of the free-of-charge in the past 72 hours!

Hon. Members on the Government benches who were in Parliament in Opposition before will, I am sure, already have discerned the difference – of course you do; you feel the sense of responsibility that there is in Government – but there is a sense of responsibility also to be had in Opposition. In that Budget debate, Mr Speaker, the Opposition led by Peter Caruana voted in
295 favour of the Estimates presented by Fabian Picardo as Chief Minister.

Something started to change, though, and in 2014 we saw the first fault line appear. In 2014, with a much stronger Opposition team – not the one that he has got today but what had been a team for government of the GSD, which they have now lost; not with novices around him, Mr Speaker – Peter Caruana finds himself as a backbencher and Daniel Feetham is Leader of the
300 Opposition, and for the first time there is a whisper that the Opposition is going to vote against the Government. But they all voted in favour. Why? Well, the party whip, then the backbencher, ensured that whatever the new leader might have thought, they were all quickly told, 'Ssh, vote in favour.' I had called a division because I had got the whisper that they were going to vote against, and they all voted in favour because if you are going to vote against you have to put
305 your name to it and not hide behind a crowd of nays. And this is what Peter Caruana said to explain the vote immediately after they had all voted yes despite Daniel Feetham wanting to vote against:

Mr Speaker, pursuant to the long-standing Parliamentary tradition that the whole House supports the Appropriation Bill in order not to deprive the Government of funding and the civil servants of their pay and thereby not meaning any more support for their spending plans than they meant when they used to support *our* spending plans, we have voted yes.

So the kernel of the idea comes into the head of the new Leader of the Opposition, but the general of the troops stops them from making the mistake of voting against.

310 We do not know what it is that the hon. Member meant now when he said the Opposition will be voting against the Budget, because it is not even the whole of the official Opposition that is going to be voting against the Budget if what we saw on television last night is true. It is not the whole of the Opposition benches. Ms Hassan Nahon has been very clear in her criticisms but will be following the tradition. She will be no less tough than some of the people I have read
315 extracts from, all of whom ironically went on to become Chief Minister. Mr Llamas has said what he has said. I congratulate him for it and I will be dealing with that in a moment. I do not mean to just throw him a bone, if you will excuse the pun. Mr Reyes is not here. So really, Mr Speaker, that just leaves four individuals. Is that what he meant when he said the Opposition will be voting against? In a Chamber of 17, four will be voting against? That is what he can muster on
320 this most important of issues that we deal with? Ask Mr Clinton whether he thinks appropriation is important or not. On this most important of issues that we deal with there has been no collective decision-making when an announcement has been made of how they are going to vote.

So that means that for the second time in the short life of this Parliament Mr Feetham is not
325 going to be followed by the people who are apparently in his party whip in Parliament. The first he argued was an issue of conscience. The second is not an issue of conscience; this is the whole underlying edifice of politics for the next year, the Estimates, the spending. Since he became Leader of the Opposition, Mr Speaker, not only has he lost two votes in this Parliament – or votes in this Parliament from the people around him; he loses most votes in this Parliament
330 when he goes against the Government – he has lost another Member. Before the election he had lost a Member, Mrs Isobel Ellul-Hammond, who made a statement publicly about what her views on him and his leadership were. She did not use the word ‘inspiring’ in the context of her explanation, Mr Speaker. Ms Hassan Nahon. Today we have heard that Mr Llamas is not voting with him. Ms Hassan Nahon mustered four votes, I think, out of seven on that side in respect of
335 the civil marriage matter. This is really quite incredible. This is not leadership; this is collapse. Peter Caruana built up from one to seven, from seven to eight and from eight to 10. He is managing to take the GSD from where it was at 10 – he got it when it was at seven and he has managed to keep it at six. I wonder whether it is going to stay at six, Mr Speaker.

I want to commend Mr Llamas for his statement last night, because Mr Llamas is a civil
340 servant when he has not been a parliamentarian, and so therefore, as a civil servant in the Tax Office dealing with revenue etc., he must understand the lunacy of putting at risk the salaries of the excellent public servants we have in Gibraltar, with all the consequent consequences; because if this Budget were not to pass – in other words, if what we are proposing were not to occur ... And this is a place called Parliament – we come to parlay and persuade each other – and
345 they have said vote no. So, far from failing to persuade their own people, imagine if they had managed to persuade our people, or imagine if a Minister had got ill. Albert Isola was travelling yesterday – he had to meet Treasury people in the United Kingdom. Joseph Garcia was in Brussels on an exhibition that had been fixed some months before and we could not change the date; we had to have it, unfortunately, on the same date as the Parliament. Eight-seven,
350 Mr Speaker. One Minister ill, and Steven was in Gotland if he had not been able to get back: what is the effect of what the hon. Gentleman was saying?

Perish the thought, Mr Speaker, that he should ever get his way in politics, but imagine if he had. We know what the effect is because we have seen it. In the United States, when budgets do not pass government shuts down. Civil servants stay home and they are docked their pay and
355 usually a compromise is done when they are about to close hospitals and schools. Or is it that they are saying that they were taking the luxury of voting no in the full knowledge that it was a gimmick that was not going to in any way affect the result of the Budget? Because, if what they had come here to do is gimmicks, I would seek to persuade them to do what Peter Caruana did in 1995 and just walk out. It is a gimmick, it never works for the people who walk out, but at

least it saves us time. Government shutdown led by Roy Clinton and Daniel Feetham – Roy Clinton with the new arguments he has found, which you can find by going just to any standard *Hansard* of the past 20 years (*Laughter*): schools would close, the hospital would close, people would *die*, Mr Speaker, (*Interjections*) because of the nonsense –

Mr Speaker: Order!

Hon. Chief Minister: Oh, Mr Speaker, no, if the hon. Member wants to clap when I say that the consequence of their actions would be that people would die, I think people will realise what it is that he is like and what it is that matters most to him. He is looking to shut down the Government, to stop the salary of every civil servant. He used to say that civil servant pay is not based on merit. (*Interjection*) That is what he said: Civil Service pay is not based on merit. Today he has gone a step further: he has tried to stop civil service pay, Mr Speaker.

Our elderly care homes would close. There would be no domiciliary care. There would be no police, there would be no ambulance, there would be no fire service, there would be, in effect, no security, Mr Phillips. This would not be a hole in the fence; this would be a *whole* shut down. (*Laughter*) That is what they were risking with the vote. They were risking Gibraltar becoming a failed state. They were risking Gibraltar becoming Venezuela, Mr Speaker. They would have brought about that which you said please God would never happen and Joe Bossano agreed. They would have liquidated the state, Mr Speaker. That is what the effect of Daniel Feetham having a majority in this House on this vote would have meant.

The political irresponsibility is legion, historic, and all because of an uppity accountant, retired banker, who thinks that a number should be on a different side of the line than on the other. Better and tougher inquisitors than them have taken governments to task more effectively without having to risk shutdown or lockdown, and every civil servant, teacher, policeman and fireman should know that the GSD voted not to pay them this month – well, some of the GSD, Mr Speaker, if Mr Llamas does what he told us he was going to do last night.

And they decided it even before they got here. They came with prepared speeches that said they were not going to vote in favour of the Budget. The Hon. the Leader of the Opposition said it in the first two paragraphs of what he said. Isn't this a Parliament? Aren't we here to persuade each other? As you rightly said, I come with a prepared speech because I come to persuade with the Bill, with carefully worked out costs and import duty reductions etc., and tax benefits that trickle down to the people who need to share in the wealth of our community. They have to come to listen and then make a decision as to what they are going to do. They came ready with one view only, at least some of them: they were going to vote against.

But, Mr Speaker, I am going to do the exercise now, in detail, of taking them through the numbers that Mr Clinton took us through – once I have dealt with Mr Feetham – to demonstrate that they are wrong even on the premise that they make the argument. But I will say this, Mr Speaker: as we continue in this debate I assume they are not going to be asking us questions in committee. (**Hon. N F Costa:** Certainly not.) They are voting against the Bill (**Hon. N F Costa:** Exactly.) because they say the Bill does not disclose expenditure. They say that this does not disclose what we are going to spend on. Every question they ask us in the Committee Stage legitimises the book and the spending set out therein and delegitimises the nonsense position that they have taken, (**Hon. N F Costa:** Hear, hear.) (*Banging on desks*) because we will be showing how much detail is before the House and it will be depriving of legitimacy the ridiculous notion that somehow we are not accounting to this House for the spending.

I am going to have to deal with Mr Clinton and Mr Feetham together in the context of some of the arguments that they have put, and then of course I will also deal with Mr Feetham in the context of the shocking revelations that we heard yesterday from Ms Hassan Nahon about Facebook.

Mr Speaker, that is, I suppose, where I have to start, where he started, on Facebook, because he started his reply to the Chief Minister on the Appropriation Bill 2017 –

Hon. R M Clinton: Mr Speaker –

Hon. Chief Minister: – in respect of a Facebook –

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Mr Speaker: Do you have a point of order?

Hon. Chief Minister: Let me finish the sentence – in respect of a Facebook post by me of 2011. I will now give way, Mr Speaker.

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Mr Speaker: What is your point of order?

Hon. R M Clinton: Mr Speaker, I believe under the rules of debate there is a question of relevancy to the Budget.

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Mr Speaker: Relevancy?

Hon. R M Clinton: Yes: what has Facebook got to do with the Budget debate?

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Mr Speaker: There is a rule about relevancy: it is in the Speaker's discretion to decide what is relevant and what is not.

I can never recall an instance where the Speaker has ruled irrelevant any part of any speech made by a Member of this Parliament during the debate on the Appropriation Bill. If I am wrong – because I was not here between 1992 and 2012 – I would be grateful if that were to be pointed out. If I am correct in that no Member of Parliament has ever questioned the relevance of what some other Member of Parliament has been saying during a debate on the Second Reading of the Appropriation Bill, then it is because successive Speakers have felt that this is a debate on the state of the nation and that everything that arises during the course of debate should be allowed by them.

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Hon. Chief Minister: Mr Speaker, I will tell the hon. Gentleman, in reply to the point of order, what is the relevance of Facebook. I am going to deal with the things that Mr Feetham said about my – (*Interjection*) No, I am putting my arguments on the point of order, Mr Speaker. The relevance of Facebook is that in the printed version, the fourth page of what Mr Feetham said, he dealt with my Facebook post of 2011 and I am about to deal with my Facebook podcast of 2011. It is a post – a podcast is a video post, Mr Speaker. He dealt with what I said on Facebook in 2011 and I am going to deal with what I said on Facebook in 2011, and therefore Facebook is relevant. But of course I recognise that they are in a very uncomfortable place when it comes to Facebook.

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Mr Speaker: Now, Mr Clinton, yes.

Hon. R M Clinton: Mr Speaker, would you accept that the Appropriation Bill is no different to any other Bill and that you are still free to rule any way you please, regardless of what may or may not have happened in the past? I still make the point as to relevance and would ask you to keep an eye on relevance in the ensuing debate.

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Mr Speaker: Well, of course I do keep an eye on relevance, and I had reason when I chastised Ministers the other day for the very lengthy speeches that they were making – three speeches taking three and a half hours. I made mention of relevance, of the need for relevance.

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I think the Hon. Mr Clinton said that this Appropriation Bill is different to other ... (**Hon. R M Clinton:** No different.) Is no different? Of course it is no different and relevance is applicable, but as I say, the attitude of Speakers over the years has been that they should be as liberal as

possible, and I certainly am not going to be the first Minister that tells a Member taking part in a debate to sit down because what he is saying is no longer relevant.

Hon. Chief Minister: Mr Speaker, I am exercising my right of reply. They raised my Facebook podcast of 2011 and the hon. Lady raised Facebook yesterday in the context of what she said, and I am going to reply to the things he said about Facebook and the things she said about Facebook and the things he said she said about Facebook and who he appears to be on Facebook, because I am exercising my right of reply, Mr Speaker.

Mr Speaker: May I say in that case what was irrelevant was what we were getting from Members of the Opposition; that must have been irrelevant. *(Laughter and banging on desks)* Before the Chief Minister's reply is irrelevant, exercising his right to reply, before what he says ... If what he says is irrelevant, it must be in answer to what Members from the Opposition benches were saying, and that must have been irrelevant – and I allowed it to be said and I did not intervene.

The Hon. Chief Minister.

Hon. Chief Minister: Thank you, Mr Speaker, for the logic, because they need that lesson in logic, in particular because in the 2017 Appropriation debate the first thing that the Leader of the Opposition wanted to talk about was the podcast on Facebook of 2011. How could the podcast of 2011 be the first thing he wanted to talk about, Mr Speaker? **(Hon. J J Bossano:** It's irrelevant.) I fail to see any abject relevance, except of course that I have not had time ... Because I try and treat this Parliament with respect and prepare for debates here as best as I can, I have not had time to check what Michael Bane had to say about that podcast. *(Laughter)*

Mr Speaker, the Hon. Leader of the Opposition tweeted yesterday, or retweeted, Mr Llamas's Budget speech and the following GSD tweet – the position of the GSD, one assumes:

The Budget is a fiction and farce. It is imperative that the GSD vote against it and retain credibility and not be tainted by supporting it.

So he was saying the GSD it is imperative vote against the Budget – the GSD. I do not think he had watched *NewsWatch* when he did that, Mr Speaker. But it must be great to be him – well, whoever he may be today. It must be great to be him because he obviously lives in a world where everything everybody does which is a good idea was his idea: his ideas for Bayside, his ideas for the Victoria Stadium, his ideas for Rooke, his ideas for Europa. He is the most deprecated person in history, he has the best ideas in Gibraltar and we do not realise how good he is – except I suppose we do not even know *who* he is anymore. People who are watching what is happening in Gibraltar can see that all he wants to do is claim credit for everything that goes right, and that is why, I assume, he started by saying that this debate had been turned into a farce. He said it was a farce because of borrowing by companies. Well, Mr Speaker, we know that he was a Minister in a Government that created the trading web of companies, and we know that other Leaders of the Opposition have said that before, but nobody has said it is a farce and nobody has decided to vote against as a result of that.

So it is a farce, I suppose, for the GSLP to continue the practices of the GSD. What a scratched record, Mr Speaker. I have not heard him say anything different in the past four years since he has been Leader of the Opposition in this debate. With him I always wonder whether he knows what he is talking about, but in grammatical terms does he know that the *Oxford English Dictionary* defines a farce as 'a light, humorous play in which the plot depends upon a skilfully exploited situation rather than upon the development of character', or 'humour of the type displayed in such works' and 'a foolish show, a mockery of a ridiculous sham'? I am guessing he was reaching for the third definition, because character is not something that people associate with him. And I think that is certainly the best way to describe what unfolded – after he got up,

not before: an utter farce, because no sooner had he started than he was talking about Facebook. Little can he have imagined, I assume, what relevance Facebook would have had by the end of the debate 48 hours later.

515 But it was my Facebook post that he was talking about, Mr Speaker, because I post on Facebook in my own name. It was six years ago, it was nascent technology. I put the video up on Facebook – I was the Leader of the Opposition then – and the House was already aware of the Facebook post because it was actually debated in this House. I posted on Facebook in July and the Hon. the then Leader of the House, the Chief Minister, Peter Caruana, put a motion down to
520 debate my Facebook post and nothing else in September. He called it a grubby Facebook post. (**Hon. N F Costa:** Hear, hear.) How could it be grubby? It was in my own name – it is grubby to do things in somebody else's name, Mr Speaker! (*Laughter*) That is grubby, Mr Speaker. It is not grubby to do things in your name. And then we came here and I was told I was unfit to govern because of my Facebook post in my own name. I do not think Peter Caruana would say today
525 that I am unfit to govern, but I will not say that others are because I said then that I thought it was improper that somebody should say you are unfit to govern – it is up to the people of Gibraltar to decide who is fit to govern, not to the person who wants to continue governing. But the good thing about this post, which I put on Facebook in my own name, is that it is never going to go away. And I do not take it down, I keep it there, because it gets more likes every year. At
530 about this time of the year it gets a lot of likes and it gets a lot of views. At least it is me, Mr Speaker, that puts these things up and I do not do so in another name that might become the bane of his existence in the long term. I suppose for him these days when he powers up the PC and Windows says 'Where do you want to go today?' he just sees the words 'Who do you want to be today?' instead of 'Where do you want to go today?' Or maybe he uses Mac and those
535 issues do not bring a smile to his face.

But the surprising thing was that he was talking about issues of public finance but he has passed the portfolio on. Another one of the remarkable achievements that he has under his belt is that he is the first Leader of the Opposition not to deal with issues of public finance. He has passed that on to Roy Clinton. He is supposed to deal with health issues. The Leader of the
540 Opposition is supposed to deal with health issues and external relations – I guess the one thing that the Constitution says none of us is supposed to be involved in and we are all involved in all the time. He said a couple of sentences about the risk of Brexit, he was not here to hear Joseph Garcia, who is the Hon. Minister for Brexit, and he said a couple of sentences about Health, but nothing special – the things he had been saying for six months about morale etc., and the rest
545 was public finance.

Doesn't Mr Clinton say that the chairman should not also be responsible for public finance? Or is it that he sees himself as First Lord of the Treasury, not the Chancellor of the Exchequer, but still with overall responsibility? Well, I do not know how he sees himself, because you see now my shadows on public finance are the hon. Lady and Mr Clinton. But on my Facebook post
550 never has so much been spoken for so long and for so often about something recorded so long ago. Therefore, I think he is probably now the first shadow Minister for social media, or the first shadow on social media. Some of the records he is breaking are magnificent for us, Mr Speaker – like, for example, when he has public meetings of his party and they have to remove chairs to pretend that they at least were able to get a few people into the room; or the fact that he has
555 lost two ladies in the context of two parliamentary terms; and he is the only leader in the history of Gibraltar to have had his whip defied twice.

But I think the important thing is that he has been the Leader of the Opposition – Leader of the Opposition, not Member; I will come to that in a minute – who has been absent for longest in the context of this debate. He has been here sporadically. Members can come in and out,
560 Mr Speaker, but if there is one obligation of somebody who says they are in leadership in this community, it is the Chief Minister's obligation to hear every speech from Opposition Members to be able to exercise the right of reply and the Leader of the Opposition's obligation to be here for the Budget debate if he is going to pretend to be able to deal with issues. I am guessing he

was professionally engaged and he had to be out of here. I understand that there were issues in the court in which he was involved, Mr Speaker, maybe even important ones, but he always says that his obligations here are more important than his obligations to his clients – that is in the *Hansard* – when he wants to pretend to be the best leader of all time. But when it comes to not the nation's but his own, he has to be in court and not here. Sixty thousand pounds for a part-time job is not enough to keep him here in the debate where we are going to vote him the £60,000, Mr Speaker.

Anyway, their ostensible reasoning, after dealing with my Facebook post and everything else, for voting against is that we have £772 million of borrowing via Government companies. We do not accept those figures and I will deal with them in great detail in the context of my response, but let's just start with a couple of sets of facts.

The Government has secured an investment in Gibraltar of £300 million. The House and the community know about it. Do they know about it because Inspector Columbo and Inspector Clouseau have been able to unearth it? No, Mr Speaker, they know about it because I got up in this House in the context of this debate last year, just after those agreements had been inked, and told the House, and because I took them to a meeting where I explained the detail of it with all the professional advisers present. So there is nothing hidden in companies. How can you sustain the argument that something is hidden when the person you are alleging the hiding against is the person who told you under the glare of cameras, Mr Speaker? It is not as if I told them somewhere and they can pretend to have found out where we were not heard; I told them here. So where is the hidden £300 million? And I told them that I will tell them when we are going to invest that money, because it is going to profit Gibraltar – and I will come to the detail of the numbers in a minute.

Second fact: the Government of Gibraltar has created Credit Finance Company Ltd to invest the money of the Gibraltar Savings Bank. Why are we doing that: in order to produce the returns to pay the depositors their interest of 6%, 5%, 4%, or whatever it is. How did they do it – because they invented the pensioner's debenture at 5%, Mr Speaker: they did it by taking the interest out of the taxpayer's pocket and paying it to the saver. We think a more prudent thing to do, whilst always retaining the possibility of using the taxpayer's pocket – because that is what the law says – is to try and get the money to work for that 6%. We told them. How can it be hidden? Neither Columbo nor Clouseau have worked that out: we told them.

Mr Speaker, they have come to this House – and Mr Clinton in particular, and I will take him through it – to say, 'I have discovered the secrets filed in the public register.' If that is not a nonsense, nothing is, but to use a nonsense as a pretext for the most reckless parliamentary act in the post-war history of Gibraltar really demonstrates what must be bad faith, because if we had sought to hide something we would not have filed public documents about it. We would have done what they did. We would have said, 'Well, the law says that we have to file things in Companies House – let's not file them,' because the law said that they had to file accounts of Government companies and we are still trying to reconstruct them, although I will come and tell them a little bit about that in a little while, about the accounts that are ready.

So the idea that the Opposition is somehow being denied information is an utter joke of Peter Sellers style proportions, Mr Speaker, and the idea that we are giving them less information ... Not only do we come to the House every month, not only do we give them information – our Budget Book, the Budget Book that they say discloses less information, has 256 pages of information; their last Budget Book has 190. I should be saying to them, 'Where are the other 60 pages of information that we should have had?' Where is the hidden information and all the statistics that we put online? They do not even have to ask the questions. We had to ask for that information and sometimes we did not get it. We put it all online every month, and if it is not put up in a particular month let us know and we will put it up. More information, more detail, more transparency. Mr Speaker, we are putting online statistics since January 2012 dealing with everything that we used to ask about in this House on the Care Agency, on Credit Finance, on culture and education, on electricity and employment. I could go on. I could read the

list – it is a whole page of information. They do not care, do they – they do not go and look at it, because they do not ask us questions based on the information. They do not crunch the numbers; they just want the numbers. Well, there they are, they can have them. They can have the additional information in the Estimates Book and they can have all of the statistics. We used
620 to have three chances a year to ask a question, sometimes two in an election year. They say, ‘Well, no, this is a matter of principle.’ It is only the indignant middle class that can take that attitude, Mr Speaker.

So let’s look at the principle, borrowing via Government-owned companies, and let’s start with where the GSD would have taken this community if they had won the election in 2011 – the
625 stated policy and the things they did not say in the election campaign that we found out later: £1.4 billion of borrowing, in a deal that was entered into with Gibraltar Land Reclamation Ltd which would have given them 1% of the value of the contract, which would have been indirect – in the way that Mr Clinton describes it – off balance sheet borrowing, added to the £520 million that the community already owed and the balance of car parks borrowing and the balance of the
630 hospital borrowing which they had done in 2002-03, would have put this community, if the GSD had won the 2011 election ... goodness knows if they would have won the 2015 election after that as well ... and their power station deal with the 5% escalator ... £2 billion of borrowing by the middle of that term under the GSD. Work that out per capita if you want to panic and scare people, Mr Speaker. That is what they stood for in 2011. That is the mathematical equation that
635 people need to have in their heads when deciding whether they are prudent or not. That is what was hidden and ready to be done, and the increase in the borrowing powers that they were going to come to this House for by a resolution.

But this book, Mr Speaker, that we are debating today is the recurrent expenditure of the Government. There is now some recurrent expenditure in Government companies – that is true.
640 It did not start in 2011, it did not start in 1996; it started after 1996, Mr Speaker. There is recurrent expenditure in Government companies because the GSD created that, and Mr Clinton was in the executive of that party and Mr Feetham ... He was not in the executive of that party? Well, at some stage he was in the executive of the party, because I remember him being thrown out for rightly defending the *New People*, and Mr Feetham joined that party. They kept the
645 Principal Auditor away from that Government company recurrent spending and they allowed those Government companies, what is worse, to accumulate huge losses: £100 million in 2011, the £87 million that were accrued by the time that we won the election and the additional amount by the end of that financial year, certified by the then Financial Secretary. You can add that to the £2 billion: £2.1 billion would have been outstanding under them. So companies with
650 borrowing and companies with losses under the GSD.

All of the spending of Her Majesty’s Government of Gibraltar is in this book. That is why it is here, because it is the spending of the Government. The spending of the Bus Company is in the Bus Company. That is how they put it; that is how *they* designed it. They defended that in the election and they have the gall, having been about to put Gibraltar at £2.1 billion of direct and
655 indirect debt, to say that we are taking Gibraltar to be like Greece. Mr Speaker, they must have been greased lightning, because if we want it to be £772 million of borrowing – wrong figure, but that is the number that they want to give through the companies – plus the £300 million, £1.1 million he said, and they were going to be at £2.1 million and we are Greece, what are they?

I suppose he is thinking, ‘Keep talking, oh, keep talking.’ Mr Speaker, we are not Greece. We
660 are not about to fail. What they have said in the context of this debate is utter tripe and they know it, because Greece was in a situation where it could not pay civil servants – not because of a quirky vote in the parliament led by some beige accountant that decided not to vote the money to pay the pensions. They could not vote to pay the pensions because they did not have
665 the money. They could not pay the civil servants and the pensioners because they did not have the money. They could not rescue their banks because they did not have the money. We are not

Greece, Mr Speaker, and we are not Bermuda either, where costs spiralled in the whole of the economy and tourists would not come because the hotels became too expensive.

670 Everything they say is tainted with negativity in an attempt to negatively taint the Government. It is clear that the hopes and dreams of the Opposition are not for Gibraltar's success, they are for Gibraltar's failure. They have tried it with the Savings Bank. They have done everything in their power to create what is known as a 'run' on the Savings Bank. They have done everything in their power for people to lose confidence in the Savings Bank, a 130-year-old institution, and in Joe Bossano, a 78-year-old institution and a very robust one at that, 675 Mr Speaker.

Minister for Health, Care and Justice (Hon. N F Costa): Safe as houses.

680 **Hon. Chief Minister:** Every time the hon. Members speak you can detect the deepest of desires to see the failure of Gibraltar's financial system and to try and ride that to glory, to political victory. And yet the only thing that they have told us that we should not have done is the refurbishment of No. 6, which was a capital project four years ago. But he must realise that in making the arguments they make about the information in the book, the credibility of the numbers etc., they are not attacking me; they are attacking the Treasury, the civil servants in the 685 Treasury, the civil servants in the Income Tax department who report the income from the Income Tax Department, the civil servants in the Customs department who report the income from the Customs department. They are challenging the credibility of the Financial Secretary and of the people who work with him. Mr Speaker, the work that goes into producing the Estimates of Expenditure for Gibraltar every year is huge and the people who do that work under the aegis 690 of the Financial Secretary – this one and the previous one, whom I have had the pleasure to work with – are the most dedicated, most stalwart defenders of the veracity and credibility of the numbers that go in that book that one could imagine. They take their responsibilities seriously. They give up family time, they come in at weekends, they stay very late at night. They get stressed about making it right. To come here and to be told that the numbers are lacking in 695 credibility ... These are good people, Mr Speaker; they do not deserve to be spoken of in this way. This is not an attack on me. I receive the book. With Ministers we look at the expenditure we are going to do, we look at the policies to create more revenue – but I receive the book. I sign for it as well. It is my political responsibility but it is the work of some of the most dedicated people that you can imagine, Mr Speaker. And then trying to say, 'Well, our attacks are just 700 political attacks on Picardo, not on the civil servants,' does not wash. It does not wash. They are calling that work unreliable, they are calling the numbers fictitious, they are calling everything about this debate on the Estimates fake. Well, the only thing that is fake is his Facebook profile.

Let's just get a flavour of how made up, contrived and contradictory they are when it comes to the arguments that they put. The Leader of the Opposition has said that we need to invest 705 more in jobs and less in suspension bridges, and Mr Llamas says we need to invest more in tourism as that will create more jobs. So which is it to be? The suspension bridge is a new tourist attraction. We agree investment in tourism creates more jobs. That is why we have spent a collective £7 million in the last five years on the Upper Rock as a combination of recurrent expenditure and capital expenditure. But there are sometimes such differences between the 710 things that hon. Members on the other side say when they are supposed to be representing one point of view that you could drive a land rover between them, Mr Speaker. That is how divided they are.

He tells me that he meets so many people who break down in his offices, crying because they have not got jobs. Mr Speaker, the figure for unemployment as at the close of business last night 715 in Gibraltar is 84 people. It is only the quarterly average, which we think is an accurate reflection of the position – that is the number that tells us where unemployment is going – but the number of people registered unemployed in Gibraltar last night is 84. I guess there might be 84 people coming to see him to cry – and I am the one who says whilst there is one Gibraltarian

unemployed I will be fighting to ensure that he has a job – but there were 1,300 when they were
 720 in Government, some of those in a scheme, some of them not in a scheme, the ones in a scheme
 earning half the minimum wage, 400 completely out of a job, with Luis Montiel, then the
 Minister for Employment, spending his days at the Lunchbox at Europort smoking, not going into
 the office. That explains it. So when it comes to unemployment he should not pretend to be
 teaching us any lessons. I remind him that he used to say that 300 was full employment. It would
 725 be nice if he congratulated us for reaching the figure that he said was full employment, whilst
 urging us to continue to look for a job for absolutely everyone, which is what we think should be
 the case because we do not believe in the concept of the unemployable, which was a principle
 introduced into Gibraltar politics by them.

But pull the other one, Mr Speaker – it has got a fake profile on it – that there are people
 730 coming to see him in tears. Or is it that we should believe the things that he says about
 unemployment, about the Estimates and even about the media? He says that there is a ring of
 steel around the Government, that the media does not ask me difficult questions, that they do
 not report the things he says. Well, there are some media in Spain with which they have become
 very friendly recently. They report everything they say and none of what we say. Maybe they
 735 have got a ring of steel around that media. I understand that the ownership of that particular
 media goes all the way up to the top in Spain, and they collaborate with it so effectively and so
 frequently. What have the journalists of Gibraltar done to them? They report what is going on.
 Sometimes they do not issue press releases. There are days when they do not issue press
 releases and they complain about the ring of steel. Well, the Government is 5,000 people
 740 working for Gibraltar. There might be three or four press releases in a day; they might be
 reported in all the media. *They* do not issue anything, so there is an item of Government press
 release in a piece of media and they say this is evidence of the ring of steel.

Mr Speaker, he gets paid £60,000 – he should do a bit of work, although I really believe that
 the more the media give him an opportunity to speak, the better. Jonathan Sacramento
 745 interviewed him and that is where he said that £60,000 is not enough, it is a part-time job and ...
 The more we see of him the better it does for our re-election chances, Mr Speaker. But between
 him and Mr Phillips, both of whom have hardly been here, there is £100,000 of spending in this
 book. Do a bit of work, issue more press releases and you will get in the media – and maybe less
 photographs of the frontier fence or of any other security issue that you might come across.

750 Mr Speaker, I am about to move on to dealing with issues relating to the few things that the
 hon. Member said about the GHA, so if this is a convenient moment I might offer people a
 comfort break.

Mr Speaker: Yes, I think the House will now recess for about 10 minutes to have a comfort
 755 break.

The House recessed at 11.30 a.m. and resumed its sitting at 11.45 a.m.

**Appropriation Bill 2017 –
 Debate concluded –
 Second Reading approved**

Mr Speaker: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Thank you very much, Mr Speaker.

I was saying that the unemployment last night was 84 – before I came to the ring of steel. Of
 760 course, we think that the only figure that is reasonable is the quarterly figure – that is the figure
 that we give and the figure we will continue to give – but I thought it was important in the

context of the snapshot of the moment in time, given the rivers of tears that we are alleged to have to suffer in College Lane.

Mr Speaker, the Gibraltar Health Authority is the highest spending Department in the book. It is almost one fifth of the Government's recurrent expenditure. All of the expenditure of the Gibraltar Health Authority is contained in the book, nobody suggests that it is not, and yet the Shadow Minister for Health has not raised one number in respect of the expenditure that the excellent Neil Costa is going to be presiding over in the context of the provision of health services in Gibraltar, not one. But they are going to vote against the book. They are going to vote against giving people cancer care. They are going to vote against A&E. They complain about waits at A&E: imagine how long the wait at A&E would be if they voted against the Estimates and they were able to succeed in persuading people to vote with them. That would really do, Mr Speaker, for morale in the GHA, wouldn't it, if you shut the GHA down?

It was really quite something to see the leader of the political party where morale is obviously lowest amongst the troops – and, Lawrence, do not let them intimidate you behind the door, you do what you think is right – the party where morale is lowest – talk about morale in the GHA and to use as the crutch for that argument a survey that a doctor organised amongst other doctors. Well, okay, I think I could organise a survey that said that morale was high in this House, or I could organise a survey that said morale was low in this House; it depends on the question etc. If you do things scientifically, then it has a different sort of effect. There has been a survey on morale in the GHA. The Hon. Mr Costa referred us to it in passing, but the important thing is that it was an objective survey of morale in the GHA conducted by Unite when *they* were in Government – in fact, in 2006, just before he took to the airwaves to defend the GSD Government and everything they did and became a candidate for them for the first time – and that demonstrated the lowest possible morale in the history of the GHA under the GSD.

Mr Speaker, the pay scales for nursing in Gibraltar for a staff nurse start £4,500 up from where they are in the UK. The pay scales for a staff nurse in Gibraltar end £7,000 up from where they are in the UK. The pay scales for a nursing assistant start £2,000 up from where they are in the UK and end £2,000 up from where they are in the UK. Morale is not just about money, but if you ask people at the GHA objectively where morale is, you will not get the results that you would get if you conducted the survey in the GSD.

Mr Speaker, given that he is the Shadow for Health and he said almost nothing, given that he is not able to keep a team together because the hon. Lady has gone, given that he is not even able to muster a vote of the people who sit with him in this Parliament on something that he has said is imperative, I find myself in the very difficult position of having to say to him that he must consider his position. It is unfortunate, because every day that I meet people they tell me that whilst he is the leader of the GSD we are safe in Government. In fact, so many people tell me, it is starting to ring true. The man is demonstrating that he has the inverse Midas touch. He has taken a party that was an election-winning machine and turned it into a machine that cannot even vote together.

I came into this debate wanting him to stay as leader of the GSD – until he did the ridiculous thing that he did in saying that they should vote against – because people tell me I am safe whilst he is leader of the GSD; but I hear, sometimes from those who sit very close to him, that they do not want him for leader and that they are marking time to circle for the kill. I hear that there are people coming back to the GSD – people who sat with him on GSD benches and people who sat before him on GSD benches – not to support him but to use him as a prop. As people colloquially say in Gibraltar, *para que pierda la siguiente y darle el hachazo y ponerme yo de Leader*. Well, until we came into this debate I had his back. I was the person who would have done all the machination necessary to stop anyone from removing him, (*Interjection*) but given what he has done in the context of this debate and his disregard for the interests of Gibraltar, the sooner they replace him the better, even if they replace him with somebody who has better electoral chances than he ever will, because of the irresponsibility that he has demonstrated in the context of the introduction of his speech.

But going back to Facebook, the attempt to get people to vote no and the failure to listen to the advice of Peter Caruana in 2014 and allow himself to be persuaded by Mr Clinton demonstrates, if not a bad faith and a disregard for Gibraltar, then a deep lack of judgement in following the views put to him by Mr Clinton.

Moving on to Mr Clinton, Mr Speaker, the whole argument that he puts is not whether something is good or bad; it is about where that thing is. In other words, Mr Clinton is not saying – because he is not developing the argument – debt is good or debt is bad. I assume that he takes the position that Joe Bossano takes, that debt can be good or debt can be bad – debt to pay recurrent expenditure as a noose that gets tighter round your neck. Debt to invest, as Joe Bossano has always said – the golden rule of the GSLP – is not a bad thing. He just says, ‘That debt, on which I do not comment, should be on this book, not on that book.’

That is what the argument is about. It is actually just a technical argument, because Roy Clinton has not told us, ‘The things you are investing in, schools etc., are bad.’ They always talk about No. 6 Convent Place, he talks about the concert, but they do not talk about the rest of the investments. Of course not, because they want to make an argument but they do not want to tell the people who are beneficiaries of the investment that we are making – in schools, in the hospital, in all the things that the Government is investing in – that they are saying that we should not invest in them. They just want to say, ‘There’s debt: it’s here, here and here, and therefore it should all be here.’ The debt is the direct debt, the debt in Gibraltar Capital Assets and the debt in Credit Finance Company Ltd, the debt I told them about. And he just says, ‘The debt you told me about, Chief Minister, should be in the white book; it shouldn’t be in the separate books that you’re going to file for the company.’ That is what it is all about, and on that basis he is prepared to come here to recommend to his putative leader that they should vote against the estimates.

Mr Speaker, his contributions in this debate and in the year and a half that he has been in this House have been so grey that I am almost minded to start calling him Mr Grey, but anybody who has read or watched *Fifty Shades of Grey* might think that that is a bit too racy for him, (Laughter) so instead of calling him Mr Grey I am going to call him Mr Beige, because I think he is better represented as 50 shades of beige than he is as 50 shades of grey. Beige brings to mind that blancmange feel, that neither here nor there, that no clear distinction, because he does not say, ‘That debt is bad,’ he says, ‘That debt should be here, but vote against every penny of spending.’

There have been some great politicians with the surname Clinton, Mr Speaker. He is really letting the family tree down. (Laughter) Gibraltarians are world class at everything that we do – and once again, congratulations to the team in Gotland, who are doing a magnificent job and I look forward to seeing what they are going to do in Gibraltar in the 2019 Island Games when they are at home, with the investment we are making in sport, (Several Members: Hear, hear.) (Banging on desks) an investment Mr Beige might not like – but when it comes to producing Clintons, we are not producing world class. He is no Bill Clinton. The Hon. the Leader of the Opposition used to accuse me of having Clinton moments. Well, he has had a Clinton year, Mr Speaker, and look at where it has got him: one less vote. The game of politics is of getting more votes in the Parliament, not less.

Mr Clinton started in this debate this week with the constitutional point: ‘I’ve found a constitutional point which means we must vote against.’ Well, Mr Speaker, I am quite happy to let him have copies of the constitutional point exactly the same developed for the past 35 years, or 44 years, in this House, none of which led to the hubris of suggesting that people should vote against the Estimates.

He wanted me to give him a copy of the ruling that a Speaker had made in respect of conflicts of interest at the time that Sir Joshua was in Government and Sir Joshua had asked for a ruling, as if I had to give it to him, and he said, ‘You are not transparent because you won’t give me the ruling.’ I am not transparent because I will not give him the debt, although I am the one who told him the debt of the Government companies, and I am not transparent because I will not recess

the House, go in there, photocopy for him the book that lies in the antechamber with all the rulings, bring it to him on bended knee and say, 'Here you are, Roy – is this beige enough for you?' That is not lacking on transparency. That is him having to get off his posterior and get it done because that is what he is paid for, and if he has to go to the public register to find things which are public, he has to go to the public register to find things which are public. He is not entitled to ask for things which are public. We are not his lackeys, Mr Speaker. We are here to govern Gibraltar for the good of all of Gibraltar, not to fetch and carry for him. He is not a bank manager anymore, who presses the button and asks for a coffee and a copy of whatever document he might like, or to be brought his daily beige friend, the *Financial Times* – a perfect camouflage for him, Mr Speaker.

And then he launches into a tirade where he accuses us of lack of transparency, but goes further. He says that we are not operating by the rules or the rules do not work, although it is the Constitution that Peter Caruana said in 1991 could be moved by the people of Gibraltar to change things. It is the GSD Constitution. They accuse us of not having supported it enough when it was put to referendum. It is *their* Constitution which allows these things which *they* were doing. But he says – and this is where it starts to get very nasty indeed, Mr Speaker – that there is some alchemy or sleight of hand. Those are accusations, veiled accusations of dishonesty, Mr Speaker. In case he did not watch the magnificent episode of *Black Adder III* that dealt with alchemy, it is a truth universally accepted now that alchemy is not possible, and so therefore if we are reporting gold it is because there is gold, not because there is coal that we say is going to be turned into gold and not because we have civil servants or a Treasury that allow us to deposit coal and report to us that there is gold. These are real results, not deserving of the shoddy treatment that he has purported to give them and the attempt at casting them as somehow dishonest.

But the quantum leap that the GSD have taken in the context of this debate is not just to say that they will vote against the Estimates – 'they' such as they may be. It is to move from the Canepa, Bossano, Caruana position, perhaps even the Picardo position in the context of the analysis that they do, although I do not accept it, that we *could* go bankrupt because of certain policies – it is part of the lexicon of political debate and, as we have seen, it has been since 1971; they have said that we *are* bankrupt. They have said there is no surplus. Let me do a calculation to show you there is no surplus. I will demonstrate, Mr Speaker, that the calculation is wrong and that there is surplus, but I will not allow them to get away without having the spotlight put on the effect of what they said, which is that they reported to Gibraltar that their interpretation of the Estimates Book of Gibraltar is that Gibraltar is currently bankrupt. Their well-connected Spanish press friends will report that with glee, I have no doubt. They would be wrong to gloat, as they so often are in relation to Gibraltar.

That nonsense argument is followed by an idea that we should be prudent. Well, the first prudent thing to do in an economy is not to talk it down. (**Hon. N F Costa:** Hear, hear.) The first prudent thing if you want Gibraltar to prosper is not to say that Gibraltar is bankrupt. He talked about his article in *The Chronicle* where he famously accused me of cheating. Rightly, Members of the media said to him, 'Well, look, you talk about the level of discourse in Gibraltar and you have just accused the Chief Minister of cheating. How can you complain when he comes harder back at you?' That is what his style is, Mr Speaker, his pernicious pen writing mendacious articles on beige paper, and he says in the context of that, 'It's that the Principal Auditor cannot audit these companies. That is absolutely terrible. It cheats the system.' Well, look, if it does, can he please, instead of giving me a hard time, write Her Majesty the Queen a letter and ask her to remove the knighthood from Sir Peter Caruana, because he invented it and one of the reasons for which it was brought was for the prosperity that he ushered in. Or maybe it is that, because of that day he threw him out of Europort for the *New People*, he does not just dislike me, he also dislikes him and he is not actually just talking about the GSLP in the context of the way that he attacks us, he is actually attacking also the old GSD.

He said that our public finances are like an iceberg. Well, it is funny that one of the people on the bridge of the *Titanic* should finally have seen the iceberg, Mr Speaker. It does not feel to me like Gibraltar is the *Titanic* – Gibraltar is steaming ahead; it seems to me that there are more
 920 titanic problems in the GSD than there are in Gibraltar.

He is so presumptuous that he even called Mr Feetham his ‘learned friend’. That is an unfortunate preserve of those of us who are learned in the law, Mr Speaker. I am not posh and I do not stand on ceremony, but only other lawyers call lawyers their learned friends.

The disrespect to the Estimates Book, to the people who prepare it, this Parliament, this
 925 nation and the history of this Parliament and this nation in denigrating the work done and arguing that it should not be supported by the House is incredible. Let me be clear, Mr Speaker: there is no artificial income in this book, our accounts are not flattered, the surplus is real and tangible and it is reflected in the available cash reserves, and we have very clear plans to deal with what they are now calling direct and indirect borrowing, our indirect borrowing as they
 930 term it and their indirect borrowing. Or is it that he wants to forget the amount of indirect borrowing that we found when we were elected, let alone the indirect borrowing that they were going to enter into, leading to £2.1 billion in total of borrowing?

Mr Speaker, you would have thought that he had forgotten that our manifesto commitment – and he seems to be a bit of a worm when it comes to making sure that he is in the detail of our
 935 manifesto – is to have a net debt of zero by the time of the next election. It is not theirs. *(Interjection)* Yes, indirect borrowing, zero. He has forgotten that. He says, ‘We don’t know what your plans are.’ Well, look, our plans are designed to be self-financing, like in any loan that is taken.

Let’s look at this idea of the artificial surplus and the Government flattering the books. In fact,
 940 all he did was really analyse the surplus. He could not debunk it, however hard he tried. You can do anything with numbers, if you like, as he knows; and so, faced with a magnificent performance of the Gibraltar economy as reflected in this book, he says, ‘Right, what can I do to try and get from £78 million down to zero?’ It is a bit like that lady on countdown, Mr Speaker, where you put a number on the board and you try and get it to another number, and he needed
 945 to get 78 down to zero: divide by 34 ... How did he do it? Well, he had to become pot calling kettle black because he had to go against all the things that they had done themselves. But he did something which I did not expect an accountant to do. He confused recurrent expenditure and capital expenditure, and the attack was on the basis of us doing what they had been doing by continuing the practices that were there at the time that we were elected – and all of it on
 950 the veneer on a lack of transparency. The credibility of that I have already shown is not to be taken too highly.

He forgets that Parliament is here to deal with issues which are not public. In other words, things which are public he has to go and get, things which are not public are to be debated here. And all of that is relevant, all that I am bringing back which I have said before is relevant,
 955 because when we were in Opposition we did not find out about the borrowing of the car parks company, because they did not file anything. We found out accidentally. **(Hon. J J Bossano: Yes.)** We did not criticise that. We found out what it was for and ... What we criticised was that the money they took when they mortgaged the Treasury was to invest in a private project, not a public project – to invest in a project of a company that was well known to be close to the then
 960 administration: the purpose of the loan, not the existence of the loan, Mr Speaker.

And so when he is doing the account that he tries to do, he does not say – and that must be disingenuous because he wants to pull the wool over people’s eyes – that part of the numbers that he is adding are numbers of borrowing taken when they were in Government. So he says it is terrible the borrowing the GSLP have today in Government but he ignores that part of that
 965 was taken by them. Forget the system, which I have shown is a system inherited from them, the numbers actually reflect numbers taken from them at not very attractive rates. And then he criticises us because I said that we were going to invest as a Government in the Shell project and now it transpires that the investment has been done in a different way. Well, what is it that he

wants: he wants me to tell him early on when we are thinking of doing things or he only wants me to say things once they have been inked, which is what he has said in the House today, or yesterday when he spoke? Because if I speak early on and the final legal structure of ownership is not determined but it is the Government that is considering these issues, and in the end we decide to interpose an SPV to own our shareholding, he says, 'Ah, you said the Government and you've done it another way'; if I tell him once I have just done things – like I told him in the context of this debate last year, 'We have just entered into a transaction for £300 million and this is the first meeting of the House after we have inked it,' – he says, 'You should have told me before.' I just do not know. The goal posts move so much that it is impossible to have a rational, intellectually valuable debate. Zero logic. But look, we will deal with it on the basis of what his last statement has been: only tell me things once they are inked. When he asks me next time about any of the projects that he asks me about every few months, I will say. 'Not inked yet, Mr Speaker.' That is it, because that is what he has asked me to do.

But in coming up with the figure of £246 million, which is the amount that he said was the flattering of the accounts that had been undertaken, he has given this snapshot over the past few years but he does not have the decency to say, 'This amount was incurred in this year and I am reflecting it against a surplus in the current year, and so therefore it is not related.' So the £246 million is a cumulative amount and it is not something therefore that is directly related to the £78 million surplus. So he must know that he is being disingenuous. But he fails to identify that the movement of money has not just been in the direction of the Government from Government companies, which he says is the sin – he says the sin is flattering the accounts of the Government by taking money from the companies; he fails to identify just how much money has gone from the Government to the companies, therefore unflattering the accounts.

I think people in this community, Mr Speaker, are clever enough that when they have it explained to them they will understand exactly what it is that has gone on, because, as the Chairman of the GSD said, the electorate in Gibraltar is very intelligent, exactly the same electorate that left him out of this House, I suppose – very intelligent indeed, Mr Speaker.

But the reality that they do not like to admit is that when we were elected in 2011 there was an advance of around £87 million on 9th December due to the Consolidated Fund by the Government-owned companies. That is to say there was a hole in GSD Government company funding of £87 million, because in that way the Government of the GSD had spent money in the companies without having to put any Government money in and therefore flattered the accounts as at 9th December 2011 by £87 million. So they had £520 million outstanding of gross debt plus £87 million of company debt – plus the borrowing of the companies, which is different. The companies owed the Government £87 million and the companies had taken loans. So, when we found that, Mr Speaker ... and Mr Bossano spent a very bad Christmas that year when he found that hole. If you just take that figure, the £87 million – you forget about the GSD Government company borrowing, just that figure wipes out the surplus of the GSD for the three years before, if you were doing it in the nonsensical way that the hon. Member was doing it, of taking surpluses in the year and taking all of the cumulative amounts of the other years and trying to create some link. But he knows that it was nonsense. I had intellectual respect for him until he came up with the ruse of voting against the Budget and managed to persuade the character to his right to follow suit. That would have completely wiped out the surpluses. I have the doomsday memo from the Financial Secretary to show it.

What did we have to do? We had to deal with the position, and in order to deal with the position we had to give funding to the companies. So we had to take money from the Estimates Book and put it in the companies. He is complaining that there is money from the companies coming into the Estimates Book and he is saying it is £246 million. It is not in one year, but he is pretending that it is. So let's do the exercise of demonstrating to him what has gone the other way, what has gone from the Government to the companies. I reckon he knows, because despite him saying that there is nothing in here, he has read every figure, I am sure, and he has read every figure for the year before and the year before and the year before. And if he has done

that, which he should have done if he has pretended to do the exercise that he has told us that he has done, then he would have seen what we have pursued as a prudent policy to get rid of the hole in the companies – in other words, to fill the £87 million, which was £100 million by the end of that financial year, and to not let it accrue again by giving the companies annual payments. It is in here, it is the £25 million by which we reduced the surplus. If I wanted to flatter the surplus GSD style, the first thing I would do is I would stop giving the £25 million, then I would have declared a surplus this year of £103 million, but I give the £25 million to the companies. How much have we given? I know he is getting nervous now, because this is the big reveal, this is the moment when I will show that what he was saying was the case was actually the opposite. In 2011-12, at the end of the financial year after we had been elected, we gave £72 million of capital to the companies and £28.3 million of recurring; in 2012-13, £40 million of capital and £17.7 million of recurring; in 2013-14, £40 million of capital and £20 million of recurring; in 2014-15, £9.1 million of capital and £25 million of recurring; in 2015-16, £16.9 million of capital and £25 million of recurring, and £6.8 million to the University; and in 2016-17, £1.8 million to the University and £25 million in the recurring. Not the numbers here, what we have given already.

Has he done the numbers? Has he done the maths? Or are his fingers shaking too much? £326,600,000 more money has flown from the Government to the companies than from the companies to the Government, so his attempt at a purported alchemist is demonstrated to turn to coal because the argument with which he must have excited the Leader of the Opposition a lot to persuade him to change the practice of every Opposition since the 1969 Constitution at least, is utter nonsense. It is wrong. The numbers are in the books and he should have seen it, and if he did the exercise one way he surely has seen the numbers there. Is he going to give me a credit of £326 million when he was trying to take away the £246 million? Or shall we just agree, in a collegiate style across the floor of the House, to net it off? I am quite happy to net it off, because it is £80 million net for me. It is £80 million net gone in the wrong direction: £80 million net has gone from the Government to the companies. It is £80 million unflattered in the Government accounts, and therefore the calculation is wrong. But he did it. He said £246 million extinguishes the £75 million. Add £80 million to the £75 million, if he wants to do that futile exercise, which is irrelevant.

Mr Speaker, then he went on to this business of transferring properties of Government companies, so transferring properties to Government companies, and the value that we get for that and the stamp duty that we get for that. Let me deal with the value first. The correct thing to do, in keeping with general accounting principles, in keeping with the rules, is to transfer for value, not for nil value, but it was the GSD's practice to transfer at zero value. But if you transfer at zero value, the transaction is invisible. And then imagine, Mr Speaker, if I were to take a Government property and alienate it into a Government company at zero value, there would be nothing seen in the accounts. And then if I were to take that Government company and that asset and either alienate the asset again or transfer the company to a GSLP supporter, it would be invisible. We did not do that, we did things at real value; they did it at zero value. And why did the Principal Auditor have no oversight of these things, Mr Speaker: because the Constitution that they created did not give him that oversight. With the assets transferred at zero value from the Government to a company, the company can then use the asset to raise money and spend that money. And you can guess what happens then: that money is spent by the company without parliamentary oversight. That is the ruse the GSD created. If you transfer Government property for value, the value comes into the Parliament and the Parliament then decides what happens to that money.

So what is it that they are complaining about? We discontinued the transfers at nil value and we introduced transfers at real value, with the consequence that stamp duty is payable because that is what the law requires – but we will come to what the law requires and what the GSD did in relation to the law. This was not a bending of the rules, you will see, Mr Speaker. And as an accountant he should understand that when you transfer an asset, if you continue to have use of

1075 it you have to pay a real market rent for it. They must understand it, Mr Speaker, because if
there was a Government that introduced that concept, it was the GSD. The Government of the
GSD introduced the sale and leaseback principle when they sold the hospital for £8 million and
rented it back. I think the running total is closer to £54 million we have paid now for an
£8 million property. I will come to the numbers – I have them here. I would still like to know, and
I have not found out yet but I am looking, who earned a commission on that sale of £8 million of
the hospital. I am still looking hard, Mr Speaker. And they did it again with car parks, so they sold
1080 the car parks and paid rent for the car parks. Sale and leaseback. They now seem to think that
this is a huge sin – well, they should say at least a few Hail Marys themselves. So, if anything, we
are paying rent and that unflatters the recurrent expenditure budget of the Government; it
makes it bigger, therefore the surplus goes down. The capital goes to the pink pages, to the I&D.
He was confusing all of that. And, of course, all of this they did without auditing the accounts of
1085 the companies that they transferred Government property to at nil value. Having said, as I have
shown, that they would when elected, they then omitted to do so.

This week, after much effort, with many more to come, the directors have signed the
accounts for Gibraltar Residential Properties Aerial Farm Ltd, Gibraltar Residential Properties
Bishop Fitzgerald Ltd, Gibraltar Residential Properties Coach Park Ltd, Gibraltar Bus Company
1090 Ltd, for 2014; and for 2015, for Gibraltar Co-ownership Company Ltd, Westside Two Co-
ownership Company Ltd, Brympton Co-ownership Company Ltd, and many more which are
being completed. At last, after so many years of the GSD failing to compile accounts, all of the
company accounts are going to be put on a proper footing, something which they denied the
public – all of them.

1095 So, doing things at proper market consideration is not to flatter accounts; it is to comply with
the law. It is to put the money in the capital account, where it should go; it is to allow this House
to see what is happening. It completely skews his allegation that we have done anything which
avoids transparency, quite the opposite – they were avoiding transparency with these transfers
at nil value and then they did whatever they liked in the companies. This is complex, it is
1100 sophisticated, but, whether they like it or not, Gibraltar is a £1.91 billion business and it has to
be run in a sophisticated way. Otherwise, if we just do things in a linear way, it is not going to be
positive for the taxpayer because this is a sophisticated society. He was a banker – I assume he
was involved in sophisticated finance. Or is he the only banker in financial services in Gibraltar
who did no sophisticated finance? I can think of one sophisticated thing he did which then
1105 ended up in the courts, Mr Speaker.

Anyway, compare and contrast. The GSD transferred properties to companies at nil
consideration, paying no stamp duty. Once in the companies, they then mortgaged these
properties and raised funds. They did whatever they liked, but it was all hidden from the
Parliament. Compare and contrast the GSLP. The GSLP sells the properties to the companies at
1110 real value. The real value comes into the book and the spending of that money is subject to the
control of Parliament. Simple, Mr Speaker. If it were not that case, he would not have been able
to come up with the figure of £246 million. It is a case of *res ipsa loquitur*: the thing speaks for
itself, Mr Speaker. The fact that he is able to do the numbers demonstrates that the numbers
are there, which he says they are not. Everything that he says he has found has been hidden in
1115 plain sight. The next thing he is going to find is the Pink Panther diamond, Mr Speaker!
(*Laughter*).

Now let's move on to stamp duty. When it comes to stamp duty, what we have done is to
fully comply with the law. Where properties have been sold by the Government to Government-
owned or controlled entities, by paying the stamp duty, by doing the real value, we are being
1120 transparent with the valuations, with the proceeds, with the rental charges. We told him about
the £300 million – that led to stamp duty, that is why it is in the book. We told him about the
stamp duty when we met him, so who is hiding anything, Mr Speaker? Even in this post-Brexit
year, if you take out that transaction from the equation and the Government's own transactions,
stamp duty is still up year on year without the Government transaction. So what is it that he was

1125 trying to do: of course, create a veneer of things going wrong in order to try and cause the panic that he has been trying to cause since he started making financial arguments for the GSD in the run up to the 2015 General Election.

I do not know whether he knows, but the 2005 change to the Stamp Duty Act was moved by the then Leader of the House, and it suited the Government of the day just fine to require the
1130 Government to pay stamp duty because in effect they took 80 pence in every pound towards being able to raise more debt – because it inflated the GDP and it also resulted in more income for the Government. They invented that, not us.

But do they know that when the sale of the hospital happened they paid no stamp duty, although the rules required that they should? Are they listening? The GSD paid no stamp duty on
1135 the transfer of the hospital. I do not know whether the hon. Member is posting as Michael Bane or somebody else, but I do not want to disturb him when he is going through this schizoid Facebook moment.

If they listen carefully, they paid no stamp duty at the time that they alienated the hospital to Europort Holdings, on the basis that the Stamp Duty Act says that Government Departments are
1140 exempted. But it was owned by the Gibraltar Development Corporation, which is not a Government Department, Mr Speaker: a failure to comply with the rules. But at least by putting the spotlight on stamp duty I have an opportunity to come here and, it being relevant in the debate, I can highlight that to the general public: a GSD failure to comply with the rules on stamp duty. So, far from using stamp duty to flatter our accounts, we are complying with the
1145 law.

And on pensions, far from being a Government without a plan, I think we are the only Government that has a plan. We are the only Government that has had the courage to introduce the commutation principle. The former administration stopped the final salary scheme, but how
1150 do you deal with all those who are in the final salary scheme? We have introduced the commutations. They were against it initially. Now they say it is a jolly good idea, but they do not say whether they would continue to do it or not, because they criticise the way we are doing it – so they have to put up or shut up. Are you going to continue with the commutations as we do them, are you going to do the commutations in a different way, or are you going to stop the commutations? If you do not talk about that, then you are not telling us what your plan is to
1155 deal with pensions. We have paid £180 million in pensions in the last five years since 2011. We have to deal with this, Mr Speaker. The cost of pensions has increased 320% over the 16 years that they were in Government. It started at around £7 million and it was £21.5 million by 2011. That is why we did not go against the decision of the Chief Minister then to end the final salary scheme. If we had taken a leaf out of their books, we would have jumped up and down on that, we might have made an issue of it and tried to get civil servants' votes. We thought it was the
1160 right thing to do. But now you have to deal with the problem that you have. You are pregnant with the problem. You do not just deal with the problem going forward, you have to deal with the problem that you have, and that is why we introduced the commutations using Credit Finance Company Ltd. And by the way, Credit Finance Company Ltd paying the commutations is the best possible business that the Savings Bank can do, because it has the Government paying the pension, Mr Speaker. It is incredible. And they seem surprised that I say the Savings Bank. Is it that they do not hear me every time I say that Credit Finance Company Ltd is investing the money of the depositors in the Savings Bank to produce the return, and the return is the payment of the pensions by the Government? We have given them all the detail, and I commend
1165 to them the things that Peter Caruana said about this, because in the end he was persuaded that this was actually a very good thing.

Is he saying, Mr Speaker – because I think that he is seriously, with a straight face, saying this – that there is something risky about this potential asset? How can it be risky? For 30 years the Government of Gibraltar has paid pensions without fail, probably for longer. How can the
1175 Government of Gibraltar fail to pay those pensions, which is what Credit Finance needs in order to be whole in respect of the commutations over the long period that it needs to be able to

provide returns to investors? This is probably the most saleable asset that Credit Finance has. In fact, Mr Speaker, I have said it before and I will say it again: Joe Bossano's design of the payment of commutations out of Credit Finance is one of the many things this community will realise is an absolutely ingenious solution to a huge problem that, years from now, people better able to assess it than the hon. Gentlemen opposite, will say was one of the saving graces of this Government, one of the ways that we really averted the big issue that would have hit this community in respect of pensions.

I know that he does not like to be praised – he has just come in at the wrong time then, Mr Speaker. (**Hon. J J Bossano:** Deliberately.) To stop me! (**Hon. J J Bossano:** To stop you!)

Mr Speaker, the idea that we have no plan to repay the amount that is what he calls indirect borrowing – and I am borrowing his definitions for the purposes of this debate to counter the things that he says – is nonsense. The initial amount borrowed in respect of the hospital and the sale and leaseback was £54 million in 2002-03. If you adjust for revenue etc., the amount is huge. It is huge. We paid back £15 million in the capital. Do you know how much that has cost us to date, the GSD deal: £61.7 million. So, paying back £15 million out of the £54 million has cost us £61.7 million. With car parks, they borrowed £24.5 million in 2008-09, a 25-year loan maturing in 2034. By the end of last year, eight years after the loan was taken, the £24.5 million loan – do you know how much was outstanding after all the payments? Twenty four million. Those are the loans they left us with. Not good, Mr Speaker, compared to what we have today, but you have to judge a loan on the day that it is granted; it may have been the best available then.

But look at what we have done with the power station. Forget comparing it to what they were going to borrow on the power station, with the 5% accumulator that they were going to saddle us with. We have got a loan, not for 25 years like theirs but for 10 years. It is £60 million. And by the way, Mr Speaker, their loan would not have been on the balance sheet either. This was another off balance sheet loan that they were going to do. We are going to pay back £8 million per annum starting now, we can fix whenever we want, but we are paying £9 million per annum in the temporary generators, so the net effect of us taking the loan to pay for the new power station is we are going to save £1 million a year because we do not have to take the temporary generators anymore because we have got the new power station which will be paid for by the full amount of the loan.

Will he at least perhaps congratulate Mr Mena for having done such a magnificent job of securing that borrowing on much better terms than anything that happened when the people who wear his label were in government? I certainly congratulate him for the magnificent job he has done just in that respect for this community, let alone everything else he has done. It is a brilliant plan, because he is a brilliant Financial Secretary and a brilliant financial engineer, and I cannot think of anybody more brilliant than Albert Mena and Joe Bossano to be doing this work alongside me and delivering these sorts of excellent results, where we borrow but we save a million in the context of the cost of the borrowing. What a deal, Mr Speaker! But then again, Albert Mena was always much more highly regarded than Roy Clinton as an accountant.

That leads us to the £300 million investment. It is incredible to hear. I will deal with the hon. Lady at the same time as I deal with the hon. Gentleman. Both of them pretend in their presentations that there is everything wrong with the loans. They both said at the time that we shared the information with them, 'This is not a bad transaction.' She said it in her press release at the time, in very fulsome terms caveated with 'but I think this should be on the balance sheet and I think we should have more information', which I will come to now. He said it in the teeth of a cross-examination by Jonathan Scott on *Viewpoint*. It was his ninth answer, where Scott said, 'Well, would you have done it? Is it a good deal?' ... 'Well, it's not a bad deal – we'll see how it goes.' I have got the transcript, Mr Speaker. (*Laughter*) He says he did not say it. I have got the transcript. If the hon. Gentleman would just give me a moment, I will read his words back to him. It is towards the end, of course, because it took Roy Clinton a lot of time to be able to say this.

Jonathan Scott: Your mind is open to the possibility that the Government might present some projects, reclamation and others, which have, you know, a good possibility, a likelihood of giving you or the Government that return? You are open to the possibility that in that scenario this would have been a good arrangement to make?

Roy Clinton: Well, look, if the Government doesn't utilise this money in a way that is economically sensible, then they would be negligent, grossly negligent, if they didn't do that with this money. This is a huge amount of money we are talking about: £300 million. So it's an additional amount which the Chief Minister likes to say gives him more firepower, but I don't ever want to come back to the people of Gibraltar saying that the borrowing has come down. If he's had to borrow this money and we're using it for the community, it's fine. It's fine if the money is used properly. History will tell whether it was a good decision or a bad decision, but it has to be used correctly and properly for the benefit of the people in Gibraltar, in the manner that sort of Joe Bossano would have done. He would have invested this in a reclamation project or something to generate a return.

Mr Speaker, *exactly*. So I do not know what it is that, a few months after that *Viewpoint*, has led him to get back on his white charger and start to pretend again that there is anything wrong with this borrowing.

But it is going to cost money; of course it is going to cost money. He keeps calling it a loan, he keeps calling it a mortgage, a borrowing. What is wrong with it? It is a mortgage and it is a loan in the car parks company and in the hospital, isn't it? And he does not think there is anything wrong with that. He now says it is a mortgage, it is a loan, it is a borrowing in relation to this £300 million. So what is wrong with it, according to him?

Well, if we look at where the Bank of England's inflation calculator would put what a £100 million was in 1986, about 1988 it would be about £300 million in today's money. So what Joe Bossano did in the time of the AACR – which Mr Speaker was then complaining about as the Leader of the Opposition, which was about £100 million of borrowing – is exactly the same ratio that we are dealing with here.

Let's go forwards. By the time we end up repaying the capital etc. in 30 years' time, depending on the rate of inflation this £300 million is likely to be more like £80 million or £100 million. It is obvious, Mr Speaker, and he knows that, but he does not want to give those figures. He does not want to give the good side of this transaction. Maybe he just feels he is in opposition and he has to say everything in the worst possible way and put it in the worst possible light. But he knows that, Mr Speaker, the amount reduces. You enter into a mortgage today to buy your home for a million, say, and you think, 'My goodness, it's a million!' Thirty years from now when you finish, the same home is probably selling for £100 million and you think that you got a very good deal then. It is about investing, understanding how inflation is going to move. It is sophisticated, but this is a sophisticated society, Mr Speaker. If he is not sophisticated enough to understand this as an accountant, then he is not the man I thought he was.

Anyway, Mr Speaker, in the last 30 years, the period going forward of this loan – but let's look at the past – Government income has increased 750%, so I do not know what it is that he thinks could lead, impossibly, to suggest that people should be voting against these Estimates. All of the things I have demonstrated we are doing, we are doing in the same way that they were doing them. They cheered when their leader got a knighthood for doing them and they are saying that I am taking Gibraltar to rack and ruin and bankruptcy for doing them myself in exactly the same way that has been said from those benches before.

One of the things that they attack us for is investing Savings Bank money and not Government money in GibTelecom. Is it that he thinks that it makes better sense to put our hands in our pockets to pay the debentures, or does it make better sense to take something like GibTelecom into the ownership of the Savings Bank, which then produces the returns through Credit Finance? But in the context of doing so, what he should have said, if he were honest, in his calculation of £246 million – such a pernicious and mendacious calculation which he did, which I have shown was £80 million off and in the wrong direction – is that we have also

unflattered the accounts of the Government because the dividend that GibTelecom would have paid is not here. So we have not got the dividend from GibTelecom.

1275 Mr Speaker, the same is true of Shell, so the Government is not taking the Shell opportunity; we are taking it in another way. Well, look, it produces an excellent return if we decide to do that. What could possibly be wrong with that? What is it that he does not like about the fact that we tell him things are going to happen and then, when we decide exactly the legal structure that they may happen, they may be different? We talk about the Government and then the Government has a company structure that we all know about and we do things through the
1280 company structure. What could possibly be wrong that he cannot ask questions about it in this House?

Mr Speaker, we talk more about the things that he says we do not talk about in this House than we do about the things that we do talk about, because we have talked about the expenditure of all of the Government companies but they have not raised one issue about the
1285 expenditure of the Government, all of which is before the House. It is nonsense! He has asked to speak about the expenditure of the Government companies because it is not in the House, and ignored the expenditure of the Government that is in the House. Why has he done that? Did he forget that he had 254 pages of Government expenditure to go through?

If he is going to ask us questions about it in the Committee Stage, Mr Speaker, so be it, but he
1290 will completely delegitimise his argument that there is no spending to vote in favour of or against, and we might just take the view that, frankly if he is voting against ... He is voting against: why should he look at the detail, Mr Speaker? (**A Member:** That's right.) Because it is nonsense? He has not, in the Second Reading, addressed any of the expenditure in detail. It is really quite incredible, Mr Speaker. I think he just forgot. Maybe he is more of a novice than he is
1295 an expert, and maybe next year they will approach this debate in a different way.

Caution, they said, was important, Mr Speaker. That is why what they should be doing is celebrating the surplus and not saying that it is not there and that it does not exist. At least the Hon. the Leader of the Opposition said, 'I agree that the Chief Minister has presented a prudent Budget.' (*Interjection by the Hon. D A Feetham*) The Hon. Mr Clinton, apparently trying to usurp
1300 the role of leadership – because I think he might be one of the ones who sees himself in his place; it is incredible, Mr Speaker, how the biggest people see themselves as rock stars sometimes – is trying to take his place by suggesting there should be more trickle-down measures. Look, you have just said 'Be prudent, be cautious, but now that I want to catch the public's attention, give as much as possible – why haven't you given more in rebates, why
1305 haven't you given more in tax cuts?' He did not seem to realise the allowances had increased in the prudent way as we thought was appropriate. And we will redress the issue of the mess that they left the tax rebates in – I already explained how to do that – but in a way that is sophisticated, Mr Speaker, proper, worked out. I have already demonstrated that 19% is the value of the rebates that we are at and 90% is the value of the rebates that they were at in the
1310 context of the tax revenue.

But Brexit is happening and he is telling us to give more money away whilst telling us that we have no money. He is saying, 'You've got the surplus, give more of it away; but you don't really have the surplus because you've just flattered the accounts.' Brexit is happening. Do they expect us to fiddle whilst the Treaty of Rome burns? Really? Is that the sort of banker that he was – that
1315 whilst Brexit is happening we should be fiddling with these trifling arguments? The public would not tolerate it, Mr Speaker.

They are not going to fall short in Spain of being delighted to report some of the things that they have said, as I suggested earlier, Mr Speaker. Who needs people like Margallo when we have got 'The Roy and Danny Show'! But what they need to do is to stop playing politics. They
1320 need to go home and think carefully about the maturity that they need to show in this debate. They need to think carefully about the fact that the Government had a company structure before we were elected, that it was their company structure, and to think carefully about not sowing panic or even concern amongst people where it is unnecessary. And we have to be clear,

Mr Speaker, related party transactions are not sleights of hand; and if they are, then they did many related party transactions when they were in Government and they flattered their accounts greatly if this is a flattering of accounts, and they failed to chase arrears, leaving us with a huge amount to chase, which the hon. Lady has made a valiant effort of recovering.

They talk about the culture of entitlement, but look, again I am delighted when he is on television because in the same interview with Johnathan Sacramento the Hon. the Leader of the Opposition did not just say that he thought £60,000 was a part-time salary; he, who represents the people and the working classes, he also recognised that the culture of entitlement was created by the GSD. He recognised that in the context of the interview.

And then, if we raise parking fines, or if we raise speeding fines, they make the argument that this is designed to punish the motorist. No, it is designed to stop offending, Mr Speaker. Or is it that motorists are entitled to speed and endanger and entitled to park in a place where prams cannot pass and they think that that is the right thing to do and we should not be fining them?

They said that this is all in the context of £50 million of waste, which is the argument they have been putting for so long, and yet they do not identify one item of waste – well, they identified No. 6, which was a capital project three years ago, and the pop concert because Mr Clinton does not like pop, ignoring the magnificent job that Steven Linares has done in bringing MTV to Gibraltar and the huge value that will have, this year in particular, of putting the word 'Gibraltar' on channels around the world, including the United States, and attracting people to our shores. I would have thought this was an excellent thing: £1.7 million of advertising value, Mr Speaker. Or is it that Mr Clinton knows the cost of everything and the value of nothing?

The drama that we have seen played out here, Mr Speaker, in the presentations of Mr Clinton and Mr Feetham ... I know that he has just gone on Twitter to say that I am being theatrical, but it is just absolute drama. Mr Phillips talked about the Globe and all of that, but at least when Sir Peter was here we were transported to a Mansion House speech by a Chancellor of the Exchequer in the style of Peter Caruana, or maybe even a Chancellor in Westminster. But with them there, Mr Speaker, this is not the Globe; this is the theatre of the absurd. It is almost like 'Tales of the Comedic Unexpected', Mr Speaker.

There is no failure of transparency here; there is a failure of humility, a failure to appreciate that he has just arrived in this House, a failure to appreciate that he does not understand how Government accounts work and a failure to appreciate that the things that he is complaining of are the things done by the party that he represents.

He is now given to complaining about delays on affordable housing – I guess because we have not made the announcements that we will shortly expect to make; we want to make them as soon as possible. If we had made them ... it is like a flowchart, isn't it, for Mr Clinton: if they announce the houses, complain that they are going to have to pay for them; if they do not announce the houses, complain that they have not announced the houses. If x opposite is y, if y opposite is x. It is not real politics, Mr Speaker. You can play like that for a little while, but you will be found out very soon – and I am going to do my damndest to ensure that they are found out. Real politics is what Albert Isola was talking about: getting on a plane in the middle of a debate, going to London, having meetings with the Treasury, coming back, bringing more financial services business to Gibraltar, bringing more online gaming business to Gibraltar. Look at the numbers of jobs: that demonstrates that the work is real. This is not fiction. *That* is real politics. What they are doing is what I identified would happen with the GSD after Sir Peter left, and of course after the hon. Lady left, all of the *mala leche* and none of the brains of the teams that won them so many elections, Mr Speaker. If Mr Clinton believes all of these things that he is saying, he has got a very simple thing that he has to do to be credible: pick up his chair and go and sit next to her, because whilst he is sitting with the GSD initials he is infected by everything that they did and everything that he is complaining about is everything that they did.

And so, Mr Speaker, what the Government has presented in this House in the context of this debate and in the context of this Estimates Book is not a failure of democracy and it does not fail

the smell test. What is a failure of democracy is to tell people how to vote without consulting them, and that is apparently what has happened, we were told on *NewsWatch* last night, on the other side. What fails the smell test is the stink coming over from the irresponsibility of Members opposite talking about voting against this Budget. That fails the smell test, and they should really reconsider what they are going to do. I even, in an attempt to avoid what they have said they are going to do, I invite them to walk out of the Chamber like Sir Peter Caruana did, in order to avoid having to vote against the Budget – to abstain, to walk out, or even to reconsider and vote in favour, but not to take the step over the precipice to vote to close hospitals and not to pay civil servants, to close schools and not pay teachers. I invite them to do that. It will not be a U-turn if they do not vote in favour – although they do that without a problem; they have done a U-turn on their attitude to Government companies and borrowing – but if they, the pair of them, because they are the architects of it ... I do not know who is the greater fool, the fool or the fool who follows him, but I assume that Mr Feetham is being tutored by Mr Clinton, having averted the bullet when Sir Peter was here. They should hang their heads in shame if they walk out of here having voted against the Budget. It would have been a first and I hope it would be the last that we ever see in an Opposition vote against the Budget. But it is obviously Mr Clinton who is the architect of this nonsense, Mr Speaker, and this is a step as much beige as it is ridiculous and he will be hoist by his own malicious petard if he decides to take this step, and that will be the judgement of history.

He says that there is no project coming to fruition in Gibraltar because the Eastside has not taken off, for reasons that I have explained – I should not have talked about it until it was inked, he said – and the Coaling Island reclamation has not started yet. But what about the World Trade Centre, which started and finished in our time in office? What about the Mid-Town Project that started in our time in office and is ongoing? What about the two new Ocean Village towers that are in progress? What about the Waterside Villas at Ocean Village that are about to start? What about the Gardens of Beauty that are about to start up at the old casino site? What about the Eurocity project, which has got final planning permission? What about King's Wharf II, that has just broken ground? Yes, there are three projects that have not taken off already, but what about all of these? This is again like the £246 million, 'Ha, ha!', but what about the £346 million? It just demonstrates that there is no thinking through of arguments when they are put.

In relation to Newcastle Building Society, of course we lament the fact that it is going. Newcastle were my first lender when I bought my first home, so I am very sorry that they are going. We are constantly trying to bring other banks, we have created our own bank, we hope there will be something in the future which will be more modern as well, but he is a director of a bank still, isn't he – why doesn't he persuade his fellow directors to open another branch? Perhaps he would like to arrange a meeting with me and we can talk about it with his fellow directors. I promise not to tell them what I really think of him, or even to show them how I have had to correct his homework on his mathematics.

How do we grow financial services in Gibraltar with the support of the Opposition by an allegation that we are cooking the books? How do we create the environment for people to come and set up more banks here by saying that Gibraltar is bankrupt? No, that is not the route to prudence, to caution and to helping the Government to grow the financial services business; that is the route to liquidation and destruction, the very thing you said would not happen and will not happen, Mr Speaker.

But look at this hypocrisy: the World Heritage status. I think all of us are justly proud of the work done by Clive Finlayson, of the work done by Steven Linares, John Cortes and Joseph Garcia in respect of the Government aspects of the World Heritage status, although the work was exclusively of Clive and Geraldine – but that required funding and they complain about the cost of things. That required that we put back the bid for World Heritage status which the GSD had stopped. That is how much they care about heritage. That is how much he cares about the heritage of the GSD: he does not go back and bother to find out what it was that they were doing on a particular issue before standing up and making them look ridiculous because they

have said one thing when they were in office and done another when they are in Opposition. They did not pursue the World Heritage bid – we pursued it.

1430 Mr Speaker, the fact is that these Estimates contain all the information from Government spending. I have demonstrated how the companies money also comes in here and all of the things that the hon. Gentleman said really do not go to his final sentence of saying that for lack of transparency he could not support the Bill. I have demonstrated the transparency. I have demonstrated he has not bothered to make a point in the Second Reading in respect of the things that are here.

1435 But finally, in respect of the point of whether the CEO should be the chairman or not, is it that he was a lonely voice from 1996 telling Sir Peter that he should not be Minister for Finance, or is it just that he thinks that this particular barrister should not be Minister for Finance? As I have said before, maybe it is because I am from El Calpe and he does not like people from El Calpe, or maybe it is because he might not have liked something I said to him when we were both in the Students' Association, but he thought it was absolutely fine and proper and defensible and he defended and voted for the GSD when the chairman was the CEO and it was Sir Peter Caruana and he was Chief Minister and Minister for Finance, but he just does not think I am up to it. So be it, Mr Speaker – perhaps it is from what he sees on his side of the table.

1445 When it comes to prudence, you have to look at how things are actually developing: the jobs; you have to look at the performance of the economy and not just at these arguments. And if you are going to be prudent in the way you present an argument, you have to look at what you did yourself, because in the same way as when you drink you are in *vino veritas*, when you are in power you are in *poder veritas*, Mr Speaker, and in *poder* we have seen what they as a GSD do: all of the things that they now complain about.

1450 Mr Hammond is the former Deputy Leader who fell from grace – I am told he had designs on the post but it did not quite happen – but I think a better description of him, Mr Speaker, is 'the panic-monger who couldn't scare a fly', because in the same way as Mr Clinton has tried to create panic in relation to the Savings Bank, Mr Hammond is well known for the attempts at creating panic in relation to LNG. My children watch an excellent movie, called *Monster's University*, that has a school for scaring, where people are taught how to scare – and I commend to the hon. Gentleman that if he wants to try and create panic again he should go back to the school for scaring because his attempts to create panic in relation to LNG failed and I think his attempts now to create panic in relation to the environment and air quality are also going to fail because they are going to come up against reality, against the lowest PM10 in our history. In fact, Mr Speaker, as he was speaking I thought that there is a fantastic song by Albert Hammond which I thought I would dedicate to the Minister for the Environment: *All I need is the air that I breathe* when John Cortes is Minister for the Environment. Steven Linares: *Let me entertain you*, (Laughter) and in the case of the Leader of the Opposition that excellent song by the Who, *Who are you* on Facebook today?

1465 But he complains, Mr Speaker, that we exclude them from policymaking committees. Well, I have no intention of excluding Mr Hammond from policymaking committees. We have always said there is only one person we would not welcome back in the GSLP: Mr Feetham. But if Mr Hammond wants to join the GSLP and he wants to come to our annual general meetings, where we make policy, or to our executive meetings, where we make policy, he is very welcome. We hold our annual general meetings every year – that is why we call them annual, Mr Speaker (Laughter) – and we hold them in the big room next to the little room where they sometimes meet. (Laughter) He can find us there as soon as we get an allocation and he can come and make policy with us.

1475 He went through the STTP in the most ungenerous possible way, pretending that the 15-page document that they had in 2011 was better than the substantial document that Paul Balban has spent so much time and detail and attention preparing. And he said that we have ... It is true that they have become synonymous with succinctness. They think that their plan, which was a few pages, was better than our plan, substantial, and they think that their pamphlet was

1480 better than our manifesto. Well, it did not get them very far. Back-of-a-fag-packet plans do not work anymore. This is not a Gibraltar where we can just do things because we think it is a good idea; we have to work at them and we have to demonstrate that they work. And so he is not going to be able to get on to the STTP as his new panic pony now that he has got off the Shell LNG panic pony.

1485 Neither is he going to be able to show that the GibiBikes are not working magnificently well and that they are not the right thing to have done and to have undone the old GibiBikes that they had, Mr Speaker – the Redibikes are now working very, very well. But he says to us, ‘You should have continued with the GibiBikes and not replaced them, because that was not a good use of money, and you should not have done the Redibikes,’ – although the Redibikes did not
1490 cost us any money, they were sponsored independently – ‘but you should change every bus in Gibraltar immediately.’ It is ridiculous! And he then creates a spectre that somehow somebody made a killing on the old buses. We could not get rid of them, Mr Speaker. If he can find somebody who would have bought the old buses from us at real value, we would be very happy to allow him to flatter our accounts for next year by telling us how to sell them.

1495 And then he blames us – this is now the limit of credibility – for the ponds in the road, Mr Speaker. Well, is it that the water was not wet when the GSD were in office and it splashed out of exactly the same ponds? Except that we have done much more road resurfacing than they did in their time. Perhaps in the Jaguar that he drives you do not get so wet, Mr Speaker.

Anyway, I think that it is clear that you can have different policies to promote electric
1500 vehicles. Norway has a very good policy and he was telling us that our policy does not work. I think the Norwegian policy does not work in Gibraltar, but if he wants he should be a champion of getting up there and doing something that definitely works. If you put zero duty on fully electric vehicles and on top of that we give a cashback of £1,750, and you put a 100% duty on every vehicle that is propelled by a combustion engine, nobody will buy vehicles with
1505 combustion engines. That is the Norwegian policy and it works. Is that what he is saying we should do, Mr Speaker? Does he suggest that as a matter of policy I should put 100% duty on every vehicle that is imported into Gibraltar? Maybe he wants to tell us his idea of that policy, given that he wants to be involved in policymaking with us.

And on parking, Mr Speaker, again it is run with the hare and hunt with the hounds. Problems
1510 with parking – ah, well, we have to do something about it, so we increase the parking fines and we police it more effectively: ‘This is disgraceful! People are being clamped, people are being fined!’ Whose side are you on? Are you on the side of the woman pushing the pram who cannot get on to the pavement, or are you on the side of the guy who parks on the pavement irrespective of the fact that the pram and the wheelchair cannot get on it? If you are on the side
1515 of law and order you have to say put up the fines and the success of the policy is that there are no fines paid. *(Interjection)* But whose side are they on? Are they on the side of those who speed by trying to tell them where the speed cameras are and how they work, or on the side of those who want to ensure that for the first time in the history of Gibraltar we have speed cameras and we are going to get more – and this was a trial – and we have displays that tell you what the
1520 speed is? I want to commend Paul Balban, Mr Speaker, although he has not shaved, *(Laughter)* for having been the Minister who has introduced speed cameras in a way that will save lives. I think he is presiding over a very prickly issue on traffic, on parking, on residential services, very prickly indeed, but he is having the courage to do it and they should have the courage to support it – unless they are on the side of those who park illegally.

1525 To take on John Cortes in relation to the environment is a mistake, Mr Speaker. Well, finally, just on traffic, one point. He said again that we had done nothing for parking. I suppose that it may be that he thinks Commonwealth Park extends all the way down to the end of Regal House because we put magnificent designs of trees on the car park and he walks through and just thinks he has reached Commonwealth Park. It is not a park, it is the parking. There are 1,000
1530 spaces, Mr Speaker. In town it is now much easier to park and it is free if you have a Gibraltar ID card. But to take John Cortes on in relation to the environment, when he even insisted that we

plant trees on the side of the car park, (*Laughter*) is very brave indeed, Mr Speaker. It is risky. He should have done a risk assessment – he would have failed it. He just completely betrayed an utter lack of nous for the environment by saying ‘What is little Gibraltar going to do?’ It is the attitude of Peter Caruana. On that I commend him for GSD consistency, Mr Speaker, because the one thing that we have always been for is think local, act global. The thing that they are for is ‘Let’s do whatever we like in Gibraltar, we’re too little to affect the environment.’ But it is impossible to divert away from the magnificent work that John Cortes has done. Even by trying to no longer ever mention the LNG facility, as the hon. Gentleman is clearly trying to do, we are producing a power station that will produce clean energy. We are very pleased that this is going to be something that by next year will be on track and I think John Cortes has to be commended for the work he has done in respect of ensuring the compliance of that power station with all environmental initiatives and with the relevant environmental groups. And I always have to think, Mr Speaker, when I talk about the power station, that it was Joe Bossano who said, ‘Look, we’re doing the wrong thing with this power station – the right thing to do is to go to gas and not to do it at Lathbury, which would be a blight on the Upper Rock Nature Reserve.’ He was absolutely right, and with his tenacity he was able to demonstrate that it was actually the right thing to do.

Mr Speaker, would you like to recess for a few minutes, or shall I carry on?

Mr Speaker: Carry on.

Hon. Chief Minister: Mr Speaker, when Mr Phillips came into the Chamber for a while, because he has not been here most of the –

Hon. E J Phillips: Mr Speaker, a point of order. The Chief Minister –

Mr Speaker: What Standing Order are you referring to?

Hon. E J Phillips: 32A(3).

Mr Speaker: Rule number?

Hon. E J Phillips: 32A(3).

Clerk: 32A(3).

Mr Speaker: 32A(3)?

Hon. E J Phillips: Yes. Mr Speaker, in –

Mr Speaker: I will read it out, shall I:

After all other Members who wish to do so have spoken to the Bill, the Minister of Finance shall have the right of reply. In exercising the right to reply the Minister of Finance shall be restricted to dealing with matters raised during the debate and shall not introduce any new matter.

Hon. E J Phillips: Mr Speaker, the matter that the Hon. Chief Minister is raising was not germane to any Members’ introduction of any matter that they introduced. The Chief Minister attempting to introduce this matter is a new matter, and therefore, Mr Speaker, I would urge you to rule that he cannot raise it.

Mr Speaker: What is the new matter?

1580 **Hon. E J Phillips:** The matter of my absence from the Chamber during the last few days.

Mr Speaker: I see.

1585 **Hon. Chief Minister:** Mr Speaker, speaking to that point of order, the view I would take is that what happens in the debate ... I am just speaking to the point of order so Mr Speaker can rule on the point of order. What happens in the debate is relevant to the reply in the debate, and you were not here – or rather Mr Phillips was not here for most of the debate and therefore that is relevant to my reply, as is the absence of the Leader of the Opposition and the fact that we are about to vote £40,000 for Mr Phillips to be here, Mr Speaker, especially during the course
1590 of this debate, not necessarily at the time when he is not here to hear Members who are making speeches which are not relevant to him, but he was not here for the speeches of the people he shadows and yet he came here and delivered a speech in respect of the things that they had said. That is why it is relevant, Mr Speaker.

1595 **Mr Speaker:** The hon. Member thinks that it is correct for a Member of the Opposition to make a speech early on in the debate and then absent himself for the rest of that debate and that the mover does not have a right because he infringes that rule, he does not have a right to make reference to the fact that the Member has not been present. That is what you are saying?

1600 **Hon. E J Phillips:** I am ... Mr Speaker –

Mr Speaker: To make a reference – I am not saying enlarging on it, but to make a reference.

1605 **Hon. E J Phillips:** Well, he has already made it in the beginning, Mr Speaker, and then continued to amplify it. That is why I jumped to my feet. But the rule is clear. You can read it again, Mr Speaker, but it is quite clear that he is introducing a new matter into the debate on the Appropriation Bill.

1610 **Hon. Chief Minister:** No, Mr Speaker, it is not new. He is not absent now; he was absent during the debate, so I am dealing with his absence from this Chamber during the course of the Appropriation debate, although he is paid £40,000 to be here and the Leader of the Opposition is paid £60,000 to be here. If they do not have to be here because they are professionally involved in something else, that is no problem, that is perfectly understood, but they should be here to hear the people that they shadow, and in the context of the Leader of the Opposition he shadows as Leader – he should be here for all of the debate.
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But look, it does not matter. I am not taking it up with him, I am not taking it up with whoever the Leader of the Opposition may be now; I am taking it up with Mr Phillips, who was not here, although he earns that amount of money. I will go on to explain why I think it is relevant, Mr Speaker. It is relevant for a simple reason. The hon. Gentleman got up to tell us that
1620 he feels that he is transported to Bayside or to the Globe Theatre when he is here. Well, I am surprised that he feels transported to Bayside or to the Globe Theatre, because most of the time he transports himself to the Supreme Court or wherever else it is that he was.

He has a brief to deal with issues relating to security, and when he –

1625 **Mr Speaker:** May I? The problem where a Member, having made a speech, absents himself for a considerable amount of time in the rest of the debate is that he or she may not hear the counterarguments, the points that other Members in the debate are making. That, I think, is of relevance to the general tenor of a debate.

For me, new material would be that ... There are a number of heads of expenditure in the Budget Book. If the Chief Minister were, in his right to reply, to introduce an item, something
1630 which is not in the Budget Book, that is not relevant. A comment to the effect that a Member

has not been present here for much of the time, one way or the other, I do not think is new material. It is a fact that something has happened. Material is injecting something in the Appropriation Bill of a financial nature – that would be new material – and to do so when exercising the right to reply.

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That applies to this debate or to any other Bill or any motion where, having introduced the motion, the mover not having brought to the attention of Parliament some matter in his opening speech, then chooses to do so when exercising his right to reply and no one can then take him up on it. That, I think, is the established practice of debating. (A Member: Hear, hear.) That is how I have understood it over the years.

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Hon. E J Phillips: Mr Speaker, I do not want to continue to labour the point on this; it is quite clear that you are not with me on the point.

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Mr Speaker: In reality, I think it would be in his interest not to labour it. (*Laughter and banging on desks*)

Hon. E J Phillips: Mr Speaker, the reason why I say that is I am looking at the rule and it is not about material; with the greatest respect, it is about matters, dealing with matters. It is a question of interpretation of the rules. But, Mr Speaker, if you are not with me, you are not with me.

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Hon. Chief Minister: Well, now that he is with us, Mr Speaker, (*Laughter*) although he has only been with us for about one eighth of this debate, despite being paid for all of it, he might like to think that he is not somebody to crow about being transported anywhere because he has not been here for most of what we have had to say. Yet he is the person with responsibility, apparently, for security and justice and he starts by telling us Opposition politics is not easy. Well, I have just read him a quote where Peter Caruana says ‘Opposition politics is very easy compared to what it is like to sit over there’, and he has demonstrated that Opposition politics is easy because he has got up and gone whenever he has wanted to in the course of the three days that the rest of us have been here to listen to our shadows and to listen to the people that we are involved in dealing with.

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The least he should do, Mr Speaker, being out of the Chamber as much as he wants next year, is to be here to listen to the people he shadows as a matter of courtesy, and if there is an overwhelming issue, a personal issue, as a result of which he cannot be here, and he says, ‘I am sorry I cannot be here,’ and he explains to the Chair, it is explained to all of us and that is all right. Edwin Reyes has told me he cannot be here today for a very good and compelling personal reason. I made no comment about that and I have told him that I will deal with the issues that relate to my response to him so that they are on *Hansard* and he can see them when he returns, but I made no comment about his absence.

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But the hon. Gentleman deserves to be pulled up on the fact that he was not here and he deserves to be pulled up on the swathes of young unemployed people that he sees, I suppose ... that there have never been so many tears cried by so few at College Lane than the unemployed that cry on his shoulder, on the shoulder of Elliott Phillips. I do not know whether he knows whether it is a young person or whether perhaps it is the Hon. the Leader of the Opposition in one of his Facebook disguises crying on his shoulder. (*Interjection*) Where are these swathes of young people? Where is the progressive politics that the GSD leads on and leads us on when we were the ones who had civil marriage in our manifesto, when we were the ones that had civil partnerships in our manifesto? They are not leading us anywhere. We are leading this community and it is obvious to anybody who takes a step back and looks at it. So nobody is going to believe that he is going to be the person to save all young apprentices. Nobody is going to believe that he is going to save our security. Nobody is even going to be able to believe that

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he did anything that was rational or sensible when he published that photograph of the hole in the fence, which he thought was still there.

1685 And when it comes to T-Levels, these are not new apprenticeships on which the Government has done a U-turn because we are now going to force Mr Bossano to do something he said he was not going to do. Didn't he listen to what I said? I think he was here for that, Mr Speaker. What I said was that the school system is changing in the United Kingdom, and in education we follow the school system in the United Kingdom. Apart from A-Levels, they are going to
1690 introduce T-Levels in schools, and schools, Education, is going to follow that – not anything that Joe Bossano is going to be doing any U-turns on. He needs to understand that, so he needs to be here even when he is here. In other words, his head must not be at Bayside or at the Globe Theatre; it must be here at least when he is here, Mr Speaker. Otherwise, if he is going to criticise the Future Job Strategy he is going to do so and crash and burn again because he is
1695 going to forget that under them, as I told them before, the Minister for Employment used to just go to Europort to sit outside a café to smoke as many fags as he could and not bother to employ anyone – and that is when there were real tears as a result of unemployment. And remember the figure I have given today of the number of unemployed last night.

So there are no U-turns, there is no lack of care for our young people – quite the opposite. I
1700 have shown him that there is more investment in tertiary education for our young people than ever before. There is more to do for our young people. There is even a concert that we organised because it was what we thought young people needed here, although it has grown to be an important part of what corporate Gibraltar does.

So, Mr Speaker, to suggest that we are somehow following them is nonsense. To suggest that
1705 nothing is happening on the secure unit for young children when he knows the work that Neil Costa is doing in that respect, the legislative work that he is doing and the physical work that is being undertaken, is utter nonsense.

And to try and curry favour with the GTA saying that the GTA and teachers are all desperate because the Government is doing nothing is nonsense. Because he can say it if he likes – he
1710 might have a mate who is a teacher, who because he is a mate of his might tell him that we should do more – but the reality is that we have a social partnership with the GTA, we are working *with* the GTA, we are making things happen and we are building seven new schools, seven, *siete* new schools, Mr Speaker. (*Laughter*) Mr Speaker, that is the reality of investment in education, investment in young people and delivering on employment.

1715 The same is true of the Police and security. I told him in my main speech – although he was here, he might not have been here listening – we have increased the investment in our Police, Mr Speaker, by £5 million, and in our Customs by even more. So, if there are major fraud cases outstanding, it is because they are very complex and they require detailed work and it is fraud and it has to be undone.

1720 But on security, Mr Speaker, I want to be clear that I am not the only one who thinks he was acting irrationally when he published that photograph. I read an excellent article by Carmen Gomez, in the *Panorama* on 27th June, setting out exactly how badly the hon. Gentleman had done in the context of that publication. It is on page 7 of the *Panorama* for that day. I do hope he takes it, Mr Speaker; it is a riveting good read, in particular Carmen Gomez's column. I am not
1725 going to read the whole of it, because it bears reading but it is a little late in the day, although I have got a second wind now as he allowed me a few moments sitting down as he made that silly point about relevance. It starts by saying:

I was horrified to see the same photo which the opposition had supplied GBC TV with the night before, on their news programme [in a Spanish magazine]

It goes on to say:

Bravo gentlemen! Who do you think you are helping? You must have the nous not to do these things.

1730 If he does not want to take it from me, he should take it from Carmen, Mr Speaker, one of our most accomplished actors, who would do a much better job at the Globe Theatre than he ever would, however much he fancies himself.

1735 Mr Llamas started this debate with one complexion, as far as I am concerned, and is ending it on another if he ends it like we were told he would. I wanted to thank him for coming, because there is a very good dog show in Texas this week, there is an excellent one in Lawrenceville in Georgia and another one in Greece and one in Turin.

1740 I do not believe, Mr Speaker, that the things he told us about subcontracted staff make sense. I think if he goes back and reads his contribution he will find that much of what he was saying is inherently contradictory. But the one thing that I will not let him get away with is the idea that we are not somehow prioritising St Martin's School. Let's be very clear: they said in 2015, 'It is not one of our priorities, we will not do a new St Martin's School.' We said we would and we are in the process of delivering it – and we will deliver it, Mr Speaker. He might like to say, 'Well, I wish the first thing you did the day after you won the election was to do St Martin's School.' He would be wrong to think we did not. We immediately started the consultation process, the work necessary to be able to deliver a new St Martin's School, not a school that we hope will be obsolete in five years, and that therefore requires planning – it requires planning to build a school that can be relevant for the next 20 years. The school we have is 30 years old. They did nothing to build a new St Martin's School when they were in Government and they said last time that they sought to be returned to Government that they would not do anything in relation to St Martin's School.

1750 I have told them already that we have invested £7 million in the Upper Rock. I could go through all of the areas of growth in tourism but I have done it already, so everything that the hon. Gentleman is saying, really ... Look, he needs to look at the tourist expenditure survey, he needs to look at the tourism survey, the hotel survey, the air, everything is up. So tourist expenditure is a bit down: does he know how tourist expenditure is calculated? It is a finger in the air. But you look at all the other indicators, and they are up and it must be that the calculation in this respect is not really the most reliable. We know it is not, because it is a finger in the air calculation, but everything else is up. So, if Main Street was down, if profits were down, then you might say tourist expenditure is down, Main Street is closing down, there are problems here; but if everything is up, then we need to look at another way of doing our tourist expenditure, which is just an indicator, Mr Speaker.

1755 And on domiciliary care the work that we are doing is really quite magnificent. We have invested so much more: 263 members of our community are receiving domiciliary care. That is a 611% increase. I commend him, Mr Speaker, for voting in favour of this book in order to provide that care, I really genuinely do.

1765 The other issues he deals with I do not agree with, in terms of the terms and conditions of employment of subcontracted staff and how we need to do things. We have had that debate 100 times. The hydrotherapy pool I think he raised, or maybe somebody else raised – Ms Hassan Nahon raised, so I will deal with it in a moment. But I disagree with him on all of that and I disagree with him on the playgrounds and I disagree with him on the Disability Bill, he knows what we are doing in that respect. It is coming and it is going to be a great Bill and it is important that it comes as soon as possible. And if he is right, then it should have come before. Absolutely right, it should have come before, we all think it should have come before, but it has required a lot of work and it is coming.

1775 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** And they had 16 years in which to do it.

Hon. Chief Minister: And you had 16 years in which to do it, although Mr Llamas did not because he was not here, but the GSD did.

1780 But where he is right, Mr Speaker, is that he is not going to put at risk his children's schooling – they go to the same school as mine – the domiciliary care, the care of our elderly, the pay of civil servants. He is not going to put at risk the fabric of this community. He is not going to vote to liquidate the community, he is not going to vote to destroy it, and I genuinely commend him for it because I know that it must have been difficult to issue the statement that he issued last
1785 night but it will define him politically. It is anecdotal that he was not here one day when he was somewhere else and we have chided him on it etc., but when the time has come he has dressed himself by his feet, as we say in Spanish, and he has made a decision which I commend him for because I think it is the right decision for this community. (*Banging on desks*) He has fought for Gibraltar, assuming he does today what *NewsWatch* said he would do, but he has fought for this
1790 community as a whole.

Mr Speaker, Mr Reyes and I have been political opponents in this House – we were both elected in the same year – for many years, but he and I have never had a cross word, even though we have had some very difficult political moments in relation to some matters. But he raised issues of delay in the refurbishment of the estates and he has no legitimacy in doing so
1795 because it is our project and we are delivering it. But look, it is something that we have said before we also regret. We wish it could have been dealt with in another way, but there have been technical problems with electricity etc., and that just cannot be done any more quickly.

He challenges the work at Beachview Terraces but does not challenge the work at Mons Calpe Mews. I think they are both of the same very high standard. We are going to ensure all snagging issues are dealt with and the residents of Beachview Terraces and Mons Calpe Mews have the absolute guarantee of this Chief Minister and of this Government and this Minister for Housing that we will ensure that all the snagging issues are dealt with.

Mr Speaker, Mr Reyes also raised the issue of the Housing Works Agency. I have said that I am working very closely with the unions in respect of the future of the Housing Works Agency, but the future that they left us for the Housing Works Agency was that the Housing Works Agency was a deal that was reducing to zero and that is the Housing Works Agency that they now say we should be somehow reviving. We are working with the unions to deal with it. The plan is not yet settled but it is very clear in my view that it is not something that the GSD can legitimately complain about.

1810 He complains that Gibraltar General Construction Company Ltd is not subject to the Ombudsman. Well, that is because they left us rules where the Ombudsman was not responsible for Government companies; neither is GJBS. And they said there is little faith amongst tenants that Government will fulfil its obligations. Well, when they were in office they had 15,095 outstanding jobs. We have 365, so I am very confident that we are doing a better job than they were and I commend all of the individuals at Gibraltar General Construction Company Ltd, at the Housing Works Agency, at the Housing Ministry etc. who have been responsible for the work that has brought down those figures as they have.

1820 We have constructed already 900 affordable homes and 142 flats for the elderly in five years. Our ratio is better than theirs ever will be and we are saying that we will continue to build, and when we have inked the new deals we will set that out. I am very much looking forward to making the announcement in respect of Bob Peliza Mews and Hassan Centenary Terraces – although if the hon. Lady carries on as she is, we will be building an ... some of my children will be living in another Hassan estate in the future if we carry on like this.

1825 Mr Speaker, the hon. Lady dealt with a number of issues. I have dealt already with the issue of the £300 million loan, although it is very clear that her attitude is a different one and it is put in a different way, but I hope that I have explained to her how it is that we intend to deal with the information in respect of the £300 million. It is clear we have a difference of opinion as to how it should be dealt with but, we do not have a difference of opinion as to substance. In other words, there will be clear statements as to the use of that £300 million and how it is going to

1830 produce profit in order to return the money, because I believe the community should have the
information in relation to that, even though I do not share her view that it should be in this
book. Perhaps it might be in a different sort of book, Mr Speaker, but I take from her a good-
faith view that this is good money, properly obtained, and that we just need to make sure the
1835 whole community knows what we are doing with it. She said last year we need to find a better
way of presenting the Budget and this year we have presented it with slides that I hope also
make it easier for people to understand what it is happens with their money.

Mr Speaker, she also talked about a hydrotherapy pool. She should know that there has
never been a hydrotherapy pool. There was one created when the expensive sale and leaseback
of the hospital was entered into – or it was designed as a hydrotherapy pool but it has never
1840 been used and the previous administration turned it into something else, another hole in the
ground, a store for something. She stood with the GSD, so I will allow myself at least the slight of
telling her that at the time that she stood for election she was standing with a party that had
undone a hydrotherapy pool and had created a pool of cash for the companies in the
Government, which is how we now deal with that expenditure.

1845 Mr Speaker, I think on education she was a little ungenerous to the hon. Gentleman,
Mr Cortes, and a little out of touch with the reality of what is happening in education. There is a
dynamic move forward in a social partnership with the GTA in the building of the new schools, in
the introduction of co-education, which I think is a continuation of the six years of huge progress
that we have made in respect of education and in particular in the security of our schools.

1850 She knows that we have a difference of opinion in respect of the legalisation of cannabis and
we have an agreement in respect of the medical use of cannabis which the hon. Lady, Samantha
Sacramento, has dealt with at length in the context of constructive debates that they have had
in this House on the motion and on the television programme in which they both appeared. We
do not think that we should have plantations of cannabis in Gibraltar to convert into medicinal
1855 use of cannabis – but you never know, Mr Speaker, if the rocket chair propels her in this
direction Commonwealth Park might be a wholly cooler place to be if she becomes Chief
Minister!

Mr Speaker, coming to the end now of my reply, it is clear that those who sit on the benches
opposite under the GSD banner are suffering from political Tourette's. They will say the first
1860 thing that comes into their mind and they will not think through what the consequences of
saying that is, for Gibraltar. Sometimes they might actually be realising that, and that might be
why I have been provided with extracts from one particular social media platform where a
person named yesterday in this House, who might turn out to be the bane of the Hon.
Gentleman's existence going forward, praises the hon. Gentleman to high heaven, denigrates
1865 me and the Hon. Mr Costa ... The hon. Lady told us she also denigrated you, but I have not been
able to quite spot the occasion when he does that, Mr Speaker. Perhaps with longer time I will
have a chance of seeing what it is that is said in the name of that individual about all of us, and I
will smirk to myself picturing the face of this young man.

But the Tourette's that they suffer leads them to an argument that Gibraltar is bankrupt, that
1870 it is a place of absolute and utter nepotism, where the media is bought by the Government and
they cannot get a word in edgeways. Mr Speaker, this is a society in which no one would want to
live, let alone return a Government with 68% support. This is a society in which one would not
want to bring up one's children, and yet this is the society that hon. Members tell us Gibraltar is.
And in saying so, the hon. Members opposite for the GSD are not just insulting me in a debate,
1875 they are insulting Gibraltar, they are insulting the media, they are insulting civil servants, they
are insulting all of the people of Gibraltar who go to work every day to deliver these magnificent
results in a non-nepotistic, non-bankrupt, non-media-controlled society. But it is true that a bad
workman always blames his tools, so I guess that is why it is that they blame Gibraltar for their
own undoing politically.

1880 The hon. Member opposite is the boy who cried wolf. He has been crying wolf since
November 2011: 'If the GSLP wins, you're going to bring the whole edifice crashing down.' When

he became Leader of the Opposition: 'Everything's going in the wrong direction. Gibraltar's finances are going to ... We'll be bankrupt before you know it.' Just before the election: 'We'll be bankrupt after the election.' Now at least they are saying we are bankrupt, but of course as long as this Bill passes we will not be bankrupt. Civil servants will receive their wages, teachers will receive their wages, the hospitals will open and the schools will teach our children.

He should know, Mr Speaker, that in a conversation with a contractor to the Government we were talking about payment terms and the man was praising the fact that the Government of Gibraltar pays within 90 days of certification of building work. He said to me the only places where a Government actually pays within 90 days are the United Kingdom, Germany and Gibraltar. Nowhere else does a Government pay within 90 days, and this Government pays within 90 days, this Government pays at the end of the month, this Government pays its interest on savers' deposits. This Government pays its way because we are not bankrupt, because we are a very solvent society, because we are doing very well, because we are very prosperous – and the boy who cried wolf got it wrong over and over again.

This is not the case of Bermuda, where some were saying things could go wrong and were proved right in the end, although I see him on his knees praying that things go wrong for Gibraltar so that he can say that he was the only one in the wilderness predicting it. I sometimes think, when I see how things turn out for him, that instead of just being the boy who cried wolf he is actually a lamb in wolf's clothing because he is so ineffective. He is not even able to keep his team together, he is not even able to get them to vote how he wants them to vote, so he is the Leader of the Opposition, Daniel Feetham, but actually in the end he is just a lamb in wolf's clothing or a boy crying wolf. He was supposed to shadow health, not public finances, but he said only a few sentences, Mr Speaker.

I cannot believe that having told us all the things that he told us about, wanting more involvement in relation to Brexit etc., he did not turn up to hear the Hon. the Deputy Chief Minister explain the excellent work that he has done this year alongside me and the Attorney General in helping me in relation to the issues of Brexit. He said to me in the context of his winding up that I needed to travel less and I needed to invest more in jobs. Well, I do not travel because I want to, Mr Speaker. I have got to the age in life where I do not want to travel unless I am travelling with my wife and my children – and that is no slight on the Deputy Chief Minister and the Attorney General, with whom I travel often. I travel because I have to, because in this time in our history the political leader of Gibraltar has to travel a lot to make Gibraltar's point. At this time in our history we have the biggest number of jobs in our economy but we have got a challenge that we have got to face effectively. I do not travel for fun, Mr Speaker, I travel to get things done and I will continue to do that and not take his advice.

And I will not be able to say that Victoria Stadium was a fantastic idea of his. His idea was to spend taxpayers' money building a stadium there for all sports, something that is not going to happen. And I will not give him the credit of saying that everything that is good in this community is his idea, because it is not. And everything that is bad is not of our doing – like S&K, which they also created, by the way, and I just do not have time to deal with all of that. But the arguments we are left with are intellectually bereft, politically moribund and economically illiterate, Mr Speaker.

They are about to do something which I hope they will reconsider. We have now heard their views for voting against this Bill. We have heard our views for voting in favour. I really believe that if they were to think carefully they would reconsider taking the view that they cannot support these Estimates and they would support the Bill. They would do so in the context of everything that they have said in their speeches. That would be on the record. Then there is no need even for an explanation of vote because of what they have said. I disagree with it but they have said it. They could even have an explanation of vote: yes, but with all the caveats that we have set out. They could even abstain. They could even – and I invite them to do so – walk out, instead of voting no. But the historic mistake that they will make for their own political careers and for this community in deciding to vote against this Bill is absolutely the wrong decision to

1935 make. To be prudent they should not vote to stop patient care. They should not vote to stop the great men and women of our law enforcement agencies from having their wage, from having their equipment. They should not vote to require Neil Costa to decant the hospital and to stop the wages of nurses and of doctors. We have such magnificent nurses and doctors, but I am sure they would carry on working even if the Opposition stopped their wages.

1940 Mr Speaker, this is a sad day if they move on to vote against these Estimates, because it will show that there are people elected to this House now, for the first time in our history, who will be reckless as to whether our society is liquidated and destroyed.

I commend the hon. Lady for having set out the position that she has set out. I disagree with much of what she said.

I commend the hon. Gentleman for what he said last night.

1945 Mr Speaker, I commend the Bill to the House. (*Banging on desks*) Needless to say, I call a division.

Mr Speaker: Okay. I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2018 be read a second time. A division will now be taken.

Clerk: P J Balban. (**Hon. P J Balban:** Aye.) J J Bossano. (**Hon. J J Bossano:** Yes.) R M Clinton.

1955 **Hon. R M Clinton:** Excuse me, Mr Speaker, I really do not understand what this vote is about. Is it about going to the Committee Stage or the Bill itself?

1960 **Hon. Chief Minister:** Mr Speaker, I commend that the hon. Gentleman does go on that CPA training, because all we are doing is voting on a Bill. We have voted on many Bills since he was elected. This is the Second Reading. This is the substance of the general principles and merits of the Bill and he needs to vote yes or no. This is the vote; this is the moment. (*Interjection*)

1965 **Mr Speaker:** Of course. The hon. Member has to say whether he votes in favour, abstains or is against the Bill now before the House. It is the Second Reading. We are on the Second Reading of the Bill. It is so simple.

Hon. D A Feetham: Yes, Mr Speaker. No, the confusion has been in the way that ... and technically, in fact, Mr Speaker may be right. Mr Speaker phrased it 'We are now voting on whether to go on to the Committee Stage'. That is the way that –

1970 **Mr Speaker:** No –

Hon. Chief Minister: I now put the question –

1975 **Mr Speaker:** No, I said I put it that the Bill be read a second time. That is what I put.

Hon. D A Feetham: This is the vote on the Second Reading and it is on the principles of the Bill, absolutely.

1980 **Mr Speaker:** That is it, absolutely. So how is Mr Clinton voting?

Hon. R M Clinton: No, Mr Speaker.

A Member: Shame!

1985 **Mr Speaker:** Order, please! Let's have an element of decorum.

Clerk: J E Cortes. (**Hon. Dr J E Cortes:** Yes.) N F Costa. (**Hon. N F Costa:** Aye.) D A Feetham.

Hon. D A Feetham: No. Account for the £772 million.

1990 **Hon. Chief Minister:** Disgraceful, that. Mr Speaker, on a point of order –

Mr Speaker: That remark is unnecessary. When we have a division, you just say aye, nay or abstain. Any other remark is totally out of order and therefore the hon. Member must withdraw it.

1995 **Hon. D A Feetham:** Absolutely, Mr Speaker.

Mr Speaker: Thank you. We can be carried away in the moment. I can understand that passions are running high. I will make allowances for that, obviously. (*Interjections*)

2000 **Clerk:** J J Garcia. (**Hon. Deputy Chief Minister:** Yes.) T N Hammond. (**Hon. T N Hammond:** No.) M D Hassan Nahon. (**Hon. Ms M D Hassan Nahon:** Yes.) A J Isola. (**Hon. A J Isola:** Aye.) G H Licudi. (**Hon. G H Licudi:** Aye.) S E Linares. (**Hon. S E Linares:** Aye.) L F Llamas. (**Hon. L F Llamas:** Yes.) (*Banging on desks*) E J Phillips. (**Hon. E J Phillips:** No.) F R Picardo. (**Hon. Chief Minister:** Aye.) S J Sacramento. (**Hon. S J Sacramento:** Yes.)

Voting resulted as follows:

FOR

Hon. P J Balban
Hon. J J Bossano
Hon. Dr J E Cortes
Hon. N F Costa
Hon. Dr J J Garcia
Hon. Ms M D Hassan Nahon
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. L F Llamas
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. R M Clinton
Hon. D A Feetham
Hon. T N Hammond
Hon. E J Phillips

ABSENT

Hon. E J Reyes

Mr Speaker: There is one Member absent. There are 12 votes in favour and 4 against. The motion is carried.

We now recess until 2.30 this afternoon.

2010 **Hon. Chief Minister:** Mr Speaker, I think I have to say the words about the ... [*Inaudible*]

Clerk: The Appropriation Act 2017.

COMMITTEE STAGE AND THIRD READING

**Appropriation Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

2015 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken this afternoon? (**Members:** Aye.)

Mr Speaker: The House will now recess until 2.30 p.m.

The House recessed at 1.50 p.m. and resumed its sitting at 2.30 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 2.40 p.m. – 4.47 p.m.

Gibraltar, Thursday, 29th June 2017

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The Gibraltar Parliament

The Parliament met at 2.40 p.m.

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

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

Order of the Day

BILLS

COMMITTEE STAGE

Clerk: The Hon. the Chief Minister.

5

Hon. F R Picardo (Chief Minister): Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bill clause by clause, namely the Appropriation Bill 2017.

In Committee of the whole Parliament

10

Appropriation Bill 2017 – Clauses considered and approved

Clerk: A Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2018.

Clause 1.

15

Mr Chairman: May I ask how the official Opposition are voting on clause 1? Does it stand part of the Bill? I have to say, given how you have voted ... and then I will take it ... If you give me an indication, I will then say 'Stand part of the Bill' and do not have to ask you, but I need an indication.

20

Hon. D A Feetham: No, Mr Chairman. Yes, of course.

Mr Chairman: Fine, okay. So clause 1 stands part of the Bill. Thank you.

25

Clerk: Clause 2.

Mr Chairman: Stands part of the Bill.

Clerk: Head 1, Treasury; subhead 1, Payroll –

30 **Hon. R M Clinton:** Mr Chairman –

Chief Minister (Hon. F R Picardo): Are hon. Members voting in favour of the clauses?

35 **Hon. D A Feetham:** Mr Chairman, we have made our position clear. We have voted against on the general principles of the Bill. Now we are at Committee Stage –

Mr Chairman: They are in Committee. I think they are entitled to give an indication as to whether they want clause 1 of the Bill, which is going to average whether that clause should stand part of the Bill. That, I think they are entitled to do, and with any other clauses, and then
40 when it comes to the Third Reading of the Bill they can have whatever attitude they want. I think that is the correct position.

May I remind the Chief Minister that I think it would be useful if he were to give the Members an indication regarding the sitting.

45 **Hon. Chief Minister:** Thank you, Mr Chairman, so what is happening in relation to the Bill is that they are voting against it but they are voting in favour of the clauses standing as they are – okay. We will get our heads round that procedurally when the time comes.

The indication I have suggested I would give, Mr Chairman, is that I have got the honour of hosting the First Minister of Wales this evening for dinner at No. 6 at 7.30. The Bill needs to pass
50 and I am unable to come back to the House in the context of the next 48 hours, so therefore I propose to continue, if necessary, until approximately quarter to seven, so that I can receive the First Minister at the entrance to No. 6, and then, if we have not dealt with the business of the House, I intend to return this evening after dinner, at approximately 9.30 or 10, to continue the process of the Bill through Parliament.

55 **Mr Chairman:** And the position tomorrow?

Hon. Chief Minister: I am unable to attend in the afternoon. I know, Mr Chairman, you have a longstanding appointment.

60 **Mr Chairman:** I am unable to be present tomorrow morning. Therefore, after today the House would not meet until ...?

Hon. Chief Minister: I think that the date that is convenient is 12th July in the afternoon.

65 **Mr Chairman:** Right, we back then to head 1.

Clerk: Head 1, Treasury; subhead 1, payroll.

Hon. R M Clinton: Mr Chairman, I would just like some clarification. I note that the
70 establishment numbers in Treasury are going up from 89 to 91 – and I am excluding the Central Arrears Unit, which I can see has a separate subhead within Payroll – but I just wonder why it is that salaries are actually decreasing although the headcount is increasing.

Hon. Chief Minister: Mr Chairman, I am surprised that hon. Members are going to engage us
75 in a detailed debate in the context of this part of the proceedings, because they have indicated that they are voting against these numbers and they have said the things that they have said.

Frankly, it is very strange indeed to have an Opposition vote against an Appropriation Bill. It is even stranger that the Opposition that is voting against the Appropriation Bill on the basis that it does not disclose any detail is now going to go into detail in the context of what it is that the
80 Appropriation Bill is appropriating money for. It just serves to highlight further the illogicality of

the position that I dealt with in the context of the debate on the general principles and merits, Mr Chairman.

The answer is very simple: we have not put provision in in respect of vacancies because, as the House knows, we are engaged in a process of assessing how Departments should be, although respecting the complement of the Civil Service, reorganised in the context of more modern efficiencies, and therefore there is not likely to be any direct recruitment which would incur further costs than the establishment set out already.

Hon. R M Clinton: Mr Chairman, I am grateful for the Chief Minister's explanation – in which case, why the action to increase the headcount by two?

Hon. Chief Minister: Because those are actually there, Mr Chairman.

Hon. R M Clinton: Forgive me, Mr Chairman, but if they are actually there, how is it the payroll has gone down?

Hon. Chief Minister: Mr Chairman, the information that I am being given by the Financial Secretary is that the payroll goes up, not down, and the numbers that I am looking at on page 20 show £2.911 million actual in 2015, £3.164 million estimate 2016-17, which came in at £3.066 million with an estimate of £3.286 million.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): Mr Chairman, the answer is quite simple. If there are two extra bodies there – for example, one of whom is supernumerary – then clearly that supernumerary body is not a vacant body, otherwise it would disappear. So the HEO that is there, which increases it from 89 to 90, is somebody who has been somewhere else and has been brought to this place and brings his salary with him.

Hon. R M Clinton: But, Mr Chairman, this does not explain why the salary has actually gone down. Or is it that this supernumerary is being paid under a different head?

Hon. J J Bossano: The salary has gone down because not every job on that list ... The jobs that are on the list are the jobs that were there before – the 89, okay? It does not mean that each one of those 89 people are working on 1st April this year. The money that would have been there to employ those people is not there because the job may disappear from this complement and appear somewhere else. So, where there is a movement from another complement to this complement the money will appear here and will have disappeared somewhere else. Where there is a vacancy here that depends on any changes that may happen, the money has not been put here or anywhere else. It would be in the supplementary vote of the £9 million.

Mr Chairman: Any other question on payroll? Payroll stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Other charges stand part of the Bill.

Clerk: Head 2, No. 6 Convent Place. Subhead 1, payroll.

Hon. T N Hammond: Sorry, Mr Chairman, just one question on a relatively minor issue, I believe. I just noticed under payroll, temporary assistance, that is (d) 00 with a forecast for this last year of £12,000 and then a jump to £70,000. Is there any particular reason for that? Is there any particular assistance being drafted?

135 **Hon. Chief Minister:** Mr Chairman, this relates to an individual whose name and salary has been ventilated across the floor of the House, who retired and is for a short period dealing with assisting the Government in a number of matters. We have had a public debate about that.

Hon. R M Clinton: Mr Chairman, would the Chief Minister clarify that that was under the head of Financial Secretary – am I correct?

140 **Hon. Chief Minister:** No, this is temporary assistance in No. 6.

Hon. R M Clinton: Yes, but the debate we had I think was, last year, under a different head and it would appear under temporary assistance for the Financial Secretary. Is that correct?

145 **Hon. Chief Minister:** No, Mr Chairman. This is about a gentleman who we have recently talked about in exchanges of press releases during the course of this financial year.

Mr Chairman: Payroll stands part of the Bill.

150 **Clerk:** Subhead 2, Other Charges.

Hon. R M Clinton: Mr Chairman, under subhead 2(2)(c), the Mount expenses, I am just curious as to what those expenses might be, seeing as the Government sold the property.

155 **Hon. Chief Minister:** It is electricity and water costs, Mr Chairman, I am told – provision for electricity and water costs.

Hon. R M Clinton: Mr Chairman, why would the Government still be paying water and electricity costs if they do not own the property?

160 **Hon. Chief Minister:** Because somebody has to maintain it, Mr Chairman. Even if it has been alienated to a Government company, somebody has to maintain it.

Hon. T N Hammond: Mr Speaker, on other charges, grants, in subsection (b) I note the forecast outturn is significantly higher than the estimate and the estimate going forward is significantly lower than the forecast outturn. Could one of the Ministers explain the reason for such a high forecast outturn this year?

170 **Hon. Chief Minister:** Yes, Mr Chairman. I think this related to an unexpected meritorious request for funding which was agreed to by the Government, which was not anticipated and is not in the yearly requests for funding that the Government usually accedes to.

As the hon. Gentleman knows, I have said repeatedly we do not disclose the list of those grants across the floor of the House, but I am quite happy to let hon. Members see what those grants relate to. It is just that if we start talking about who we give money to, others who identify themselves as similar to those who request funding might think that they might knock on the door as well. So we are careful about who we give to and we are careful about advertising who we give to, but we are quite happy to share the information with the hon. Gentleman later if he likes.

180 **Hon. T N Hammond:** Mr Chairman, that is understood, but can I just confirm then that the difference is largely based on one single additional grant rather than multiple grants.

Hon. Chief Minister: From what I can see, it is, Mr Chairman, one large additional grant.

185 **Hon. R M Clinton:** Mr Chairman, just a question about head 2(16), ex-gratia payments, estimate £50,000, actual £790,000 – if we could have some idea as to why there was such a large increase.

Hon. Chief Minister: Mr Chairman, that one is to a very great extent demand led. It depends what ex gratia payments are paid in the year, it depends what settlements are done and it depends how those pan out. You always have an average and then some years there are more that become crystallised for settlement.

195 **Hon. R M Clinton:** Would he be able to give an average number of people who have been paid ex gratia payments?

Hon. Chief Minister: Not that it means anything, Mr Chairman, because you could have one ex gratia payment of £1 million and then three ex gratia payments of £10,000, but the number is or two, four, six ... seven.

200 **Hon. T N Hammond:** Mr Chairman, following on, on line 10, so actually going backwards of course, again a similar question: the estimate of £½ million, the forecast outturn of £800,000 for research development studies and professional fees. Obviously that is quite a significant percentage increase on the estimate. I note the estimate going forward remains £800,000, presumably in line with expectations. What has changed during this last year to generate that extra cost?

Hon. Chief Minister: Mr Chairman, he will see that the actual in 2015-16 was £800,000. I think we anticipated less of that work being done in the context of this head, but in fact the work has been done in the context of this particular head and therefore we think it probably likely now to continue to be done in respect of this particular head.

215 **Hon. T N Hammond:** I thank the Chief Minister for that answer, Mr Chairman, and would ask a very similar question based on line 14, media monitoring services, and again the significantly higher than estimated cost.

Hon. Chief Minister: We all thought the United Kingdom was going to vote to stay in the European Union, Mr Chairman.

220 **Mr Chairman:** Other charges stand part of the Bill.

Clerk: Head 3, Customs; subhead 1, Payroll.

Mr Chairman: Payroll stands part of the Bill.

225 **Clerk:** Subhead 2, Other Charges.

Mr Chairman: Other charges stands part of the Bill.

230 **Clerk:** Head 4, Income Tax; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill, Payroll.

Clerk: Subhead 2, Other Charges.

235 **Mr Chairman:** Stands part of the Bill.

Clerk: Head 5, Parliament; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

240

Clerk: Subhead 2, Other Charges.

Hon. R M Clinton: Mr Chairman, I am just curious about the register of electors expenses. Are we planning to refresh the register of electors next year?

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Hon. Chief Minister: Well, Mr Chairman, after their conduct today, I am thinking of a snap election.

Hon. R M Clinton: Was that a yes or a no? Mr Chairman, I do not think I had an answer: is it because we are going to refresh the register of electors this coming year? I guess that must be the case.

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Hon. Chief Minister: We may be in the process of establishing the rolling register, Mr Chairman, I think.

255

Mr Chairman: Any other questions?
Other charges stand part of the Bill.

Clerk: Head 6, Human Resources; subhead 1, Payroll.

260

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

265

Mr Chairman: Stand part of the Bill.

Clerk: Head 7, Immigration and Civil Status; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

270

Clerk: Subhead 2, Other Charges.

Hon. T N Hammond: Mr Chairman, just with respect to line 5, contribution to Borders and Coastguard Agency, there is quite a significant rise from the estimate and indeed for next year's estimates. Is there an explanation for that?

275

Hon. J J Bossano: ... *[Inaudible]* money has gone. There has been an increased employment, I think, as a result of more passengers coming in and recommendations from the CAA inspector team that came out here, which are more or less binding.

280

Hon. T N Hammond: Thank you, that is understood. So it is a salary-driven increase.

Mr Chairman: Other charges stand part of the Bill.

285

Clerk: Head 8, Government Law Officers; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

290

Hon. T N Hammond: Mr Chairman, with respect to legal advice, under line 7, consultancy services, I do note that the forecast outturn is double the estimate and yet the estimate for next year is back down to close to the amount of the 2016-17 estimate. Again, all I ask is: is there a particular reason why this year was particularly expensive in terms of legal advice, or why so many presumably unexpected costs cropped up in this area?

295

Hon. Chief Minister: Well, a lot of this is Brexit driven, Mr Chairman. There is a lot of advice required in relation to a lot of the detail of what we are doing, and therefore we are taking some of the top legal advice in respect of the matters that we are dealing with. Of course there are ongoing cases and we have an idea of what legal fees are going to be, but we can incur legal bills which we do not expect. We can also seek legal advice that we do not expect to seek, and that has been the main driver in respect of the growth this year – the fact that we have had to go out and get additional pieces of advice that we would not otherwise have expected or wished to have to get.

300

Mr Chairman: Other charges stand part of the Bill.

Clerk: Head 9, Financial Secretary's Office; subhead 1, Payroll.

310

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

315

Clerk: Head 10, Office of the Deputy Chief Minister; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

320

Clerk: Subhead 2, Other Charges.

Hon. R M Clinton: Mr Chairman, under 2(2), overseas offices, I note the list of offices and I just wonder do we have an office in Washington that we should be paying for here.

325

Deputy Chief Minister (Hon. Dr J J Garcia): No, Mr Chairman, there is no office in Washington.

Hon. T N Hammond: Mr Chairman, with respect to 2(7), frontier monitoring expenses, there is an increase of about £110,000 estimated for this next year. Is that due to the introduction of new technology or just maintenance of older technology?

330

Hon. Deputy Chief Minister: Yes, Mr Chairman, it is a combination of both. There is an introduction of new technology at some entry points and there is also a series of maintenance charges that need to be paid for that technology.

335

Hon. T N Hammond: Mr Chairman, I thank the Minister for that answer. When he says 'new technology at some entry points', because this is the Frontier I assume there is, theoretically at least, a single entry point – and therefore what other entry points might he be alluding to?

340 **Hon. Deputy Chief Minister:** Mr Chairman, yes, it also refers to equipment which has been installed at the Port and it includes finalising the IPS maritime system as well as two ANPR cameras at the Port. There has also been further equipment requested by Customs at the Port container park as well.

345 **Mr Chairman:** Other charges stand part of the Bill.

Clerk: Head 11, Civil Aviation; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

350 **Clerk:** Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

355 **Clerk:** Head 12, Environment; subhead 1, Payroll.

Hon. T N Hammond: Mr Chairman, just in the cemeteries section, I know there are two sections devoted to salary. Can I just confirm that would be industrial and non-industrial salaries?

360 **Hon. J J Bossano:** On page 55 at the top it says 'industrial wages' and that covers all the sections that follow, one of which is cemeteries.

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):
365 Mr Chairman, I am grateful to my hon. Friend for confirming that. The first one is salaries, which is non-industrial; and, I think as said, in the second one it comes under (2) industrial wages, and then that is industrials over the page.

Hon. T N Hammond: Thank you. So the non-industrial are office staff largely? I am not clear
370 on that.

Hon. Dr J E Cortes: The non-industrial will be not necessarily ... The PTOs would be non-industrial. They tend to be monthly paid and the industrial tend to be weekly paid. So the gravediggers and so on will be industrial and the management would be non-industrial, as a
375 general rule.

Hon. T N Hammond: I note the discretionary overtime for non-industrial therefore is ... The outturn was £190,000, whereas salaries are £125,000. That is quite an eye-watering, in normal terms, overtime bill for a non-industrial grade, I would have thought.

380 **Hon. Dr J E Cortes:** Remember, Mr Chairman, that the cemetery is operational seven days a week at all hours and has to be because of the tradition we have in Gibraltar of having funerals very quickly, and obviously when the cemetery has to prepare for a funeral you have to have the managers present, and hence the high levels of overtime.

385 **Hon. T N Hammond:** But, Mr Chairman, the hospital, the Police, the fire brigade, many areas of society run 24/7 and they structure themselves in a way that would not incur quite such an overtime bill – an overtime bill perhaps closer to 20% or 30% of salary, rather than what is approaching 100% above salary.
390

Hon. Dr J E Cortes: I do not think that is logical, because if you look at the hospital there are going to be many grades; some of them will attract overtime and some of them will not. When you look at the overall pro rata it is going to be lower than when you have three people doing all the overtime. It is a mathematical argument.

395

Mr Chairman: Payroll stands part of the Bill.

Clerk: Subhead 2, Other Charges.

400

Hon. R M Clinton: Mr Chairman, I was curious about the running of the Alameda Gardens. Estimate to outturn is about 12% higher and there is a 5% increase forecast for this coming year. Is this not a fixed contract, or is there an element of percentage increases each year or additional costs that can be charged under the contract?

405

Hon. Dr J E Cortes: There are additional costs that add up. For example, in the opening of a tropical greenhouse the spend on water goes up considerably – and when new areas are prepared, particularly on water, and that will put up the bill considerably. And this encompasses all. It is not just a contractual sum, but it is other expenses that are related to, which may not be predicted at the time of the contract.

410

Hon. T N Hammond: Mr Chairman, can I just confirm for 3(h), it says ‘control of seagull GONHS’. I have been in touch with GONHS and they insist they are not part of the gull culling programme. Can the Minister clarify what the position is there?

415

Hon. Dr J E Cortes: That has stayed on. It has not been the GONHS contract for about three or four years now. It has just stayed on in the book. I suppose you could call it a typo. It is no longer GONHS, but it has been there and I suppose it has not been picked up.

420

Hon. T N Hammond: It is just that obviously I am sure GONHS would very much enjoy that contract in terms of the finances it brings in, but it seems inappropriate to have them standing by as responsible for control of seagulls when it is clearly not their role.

Hon. Chief Minister: Mr Chairman, what we can do is take that out of the final version of the book and put whatever the correct reference is if we obtain it.

425

Hon. T N Hammond: Thank you.

Moving on to other charges, (m) environmental security services, again I note quite a substantial rise from the estimate to the forecast outturns – something like four-times increase. Is that due to the purchase of a particular piece of equipment or a project?

430

Hon. Dr J E Cortes: No, that was due to the Department taking on a considerable amount of security work, which included Commonwealth Park and some work on the Upper Rock. We have since streamlined the operation and we are providing now the service for ... You will see it has gone back down, so it is now being provided for a smaller amount.

435

Hon. T N Hammond: Presumably, taking on that extra work did not involve taking on extra personnel – so I am wondering how the costs actually arise.

440

Hon. Dr J E Cortes: Yes, at the time of the estimates we provided for only a quarter of the year, but then it was felt that we would benefit from extending that, and that is why we had the higher actual outturn. We have since considered that it was probably more than we needed to,

so we streamlined the operation and it has gone back down to a more realistic figure for this year.

445 **Hon. T N Hammond:** Can I just confirm then, environmental security services are – that is salary-driven cost rather than a cost of investment in a particular item or project?

Hon. Dr J E Cortes: It is a contractual cost. There is a contractor that deals with the security and it goes to the contractor.

450

Hon. R M Clinton: Mr Chairman, just to confirm, head 2, subhead 3(o) upkeep of cemeteries – I presume that is the new contract that the Minister mentioned during the Budget address.

Hon. Dr J E Cortes: That is correct.

455

Mr Chairman: Other charges stand part of the Bill.

Clerk: Head 13, Utilities; subhead 1, Payroll.

460 **Mr Chairman:** Head 13, Utilities, stands part of the Bill.

Clerk: Subhead 2, Other Charges.

465 **Hon. R M Clinton:** Mr Chairman, I am just curious. Under 2(3), on the water contribution in lieu of water tariff increases, I notice that 2015-16 was £743,000, the estimate for 2016-17 was £500,000, and the outturn was in fact lower, £320,000. Can the Government explain whether that is because water charges have gone up per unit, or is there some other reason?

470 **Hon. Dr J E Cortes:** Yes, Mr Chairman. At that stage we carried out an exercise in which we closed one of the desalination plants and the costs decreased, and therefore there was less cost and therefore it was not necessary to pay that much back.

Hon. T N Hammond: Mr Chairman, under (1)(a), contribution from revenues received, there is a £3½ million increase from the estimate to the forecast outturn. Is there a reason for that?

475

Hon. Dr J E Cortes: This is an increase in the revenue. (*Interjection*) Yes, I can only assume that it is a greater amount of consumption. There are more houses, (**A Member:** More gardens.) more gardens, so it is obviously an increase in consumption that this reflects, as well as obviously the fact that – and we are talking about electricity here – there is ... Yes, I think I mentioned in my Budget speech there has been an increase in the number of consumers, which will have resulted in that, and there are obviously more residential areas. Also, the GEA is particularly good, as are other people not far from me, at ensuring that arrears come in, so there may be an element of that.

485 **Hon. T N Hammond:** Thank you. Just to be clear, it was not a criticism; it was purely to try and understand why there is such a variance from one column to the next.

Moving on from that, the additional contribution for the estimate this year is down by about £4 million from the forecast outturn of the year just complete. Is there a reason for that?

490 **Hon. Dr J E Cortes:** Yes, the Electricity Authority is obviously running very efficiently. There has been, for example, a decrease in the consumption of fuel due to more efficiency. The non-use of the South District power stations is one example. Also, the fuel hedge which we have just completed was maintaining prices higher. Now prices are considerably lower than the price we

were tied up with the hedge, so we are expecting less cost in view of the result of the hedge having been completed.

Mr Chairman: Other charges stand part of the Bill.

Clerk: Head 14, collection and disposal of refuse; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Hon. T N Hammond: Mr Chairman, what I hope is a fairly straightforward question: can the Minister just explain what the difference between disposal of refuse as opposed to other items is? Is it a case of other items being things like refrigerators and such?

Hon. Dr J E Cortes: Yes, exactly. Refuse is the people who do our bins day to day, and the other is refrigerators, mattresses and other things.

Hon. T N Hammond: Okay, thank you.

Mr Chairman: Other charges stand part of the Bill.

Clerk: Head 15, Upper Rock Tourist Sites and Beaches; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

Clerk: Head 16, Education; subhead 1, Payroll.

Hon. R M Clinton: Mr Chairman, I just have one question in relation to 1(1)(f), pension contributions. That seems a decrease from the outturn of £880,000 to £570,000 – I was just wondering why.

Hon. Dr J E Cortes: That will have been an estimation of the teachers retiring. It was probably ... That is, unless I am advised otherwise, it will just reflect the real situation and the expectation of –

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): And the move to the Provident Fund as well.

Hon. T N Hammond: Mr Chairman, it is about £310,000 lower. It is 30-odd per cent, if not more, 35%, compared to the outturn, and in previous years it has been at about the £800,000 mark. It just seems out of the ball park as such.

Hon. Dr J E Cortes: Yes, there was an arrangement whereby teachers ... It is a reflection of what is actually expected. Teachers on the contributory pension scheme were given the option of moving into the pension non-contributory scheme, and therefore that had a readjustment and a recalculation. That is the reason.

Hon. T N Hammond: Mr Chairman, under Payroll (d)(iv), temporary cover, I do note the estimate for last year was £744,000. The estimate for this year is almost £1.4 million. I assume that is purely because more supply cover is anticipated, or the requirement for more supply cover is anticipated. Is there any particular reason why we might be anticipating or expecting that to happen?

Hon. Dr J E Cortes: Yes, again this is based on the expectation of a number of teachers who are going to go on maternity and paternity leave. We are expecting more this year than last, so we have to cover. So this is actually based on a calculation of providing cover for maternity and paternity leave. There are rather a lot of teachers who are pregnant at the moment.

Hon. T N Hammond: Mr Chairman, I presume we have enough supply teaching resource available to cover the anticipated requirement.

Hon. Dr J E Cortes: We certainly do.

Mr Chairman: Payroll stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Hon. R M Clinton: Mr Chairman, on 2(5)(b), discretionary scholarships, I note there is a very large increase, but I also note from the analysis that in appendix P that we have an amount of £450,000 going towards Washington internship, which in turn is about £140,000 increase. May I ask why the increase? Is it because you are going to be sending more people, or is it higher expense? And also, in terms of it being half of the discretionary scholarship bill almost, do students get any kind of qualification out of this?

Hon. Dr J E Cortes: Well, as I said in my Budget speech, Mr Chairman, education is more than just qualifications and it is preparing our citizens to take a larger part and be better able to contribute to society. Therefore, although this is not the place to justify the scheme, I think it is well recognised, particularly by the young people, so this is to allow the possibility of an increase in the number.

Mr Chairman: Other charges stand part of the Bill.

Hon. L F Llamas: Mr Chairman, I just have one question –

Mr Chairman: Yes, the Hon. Lawrence Llamas.

Hon. L F Llamas: – on other charges, 14, Project Search. I believe this was in last year's estimate for the same amount, and the same amount has been estimated for this year. Does the Hon. Minister predict that this will be used, expanded? Is he in a position to give details at this stage of what this estimate will entail?

Hon. Dr J E Cortes: The book shows zero for previous years, so unless this was done by another Department –

Hon. L F Llamas: It was. It used to be under No. 6 in last year's Budget. Unfortunately, I think there is a footer on it.

Hon. Dr J E Cortes: Sure. Obviously I was just looking at my own particular Department.

No, this is running well and we feel that this, for the moment, can cover this. If it expands and develops, then obviously we would have to deal with it accordingly, but there is enough provision, I think, at the moment. Obviously this is something that the more you throw at it the more you can do with it, but we feel that this is a reasonable amount for this year.

Hon. Chief Minister: Mr Chairman, the hon. Gentleman questions us with the legitimacy of somebody having voted in favour of this Bill, but I note that the footer he has rightly picked up is on the wrong line and in the final version it will be moved to line 14, which is where he has rightly identified it should be.

Mr Chairman: Other charges ... No, sorry. Is the Chief Minister providing an answer?

Hon. Chief Minister: Can I just, for assistance ... I am told by the Financial Secretary there actually has to be a footer on postage expenses as well, so there is a footer missing which will have to be added to show the No. 6 reference.

Mr Chairman: Other charges stand part of the Bill.

Clerk: Head 17, Gibraltar University; subhead 1, Payroll.

Hon. R M Clinton: Mr Chairman, obviously payroll is zero, but I have just one general observation – and the Government may or may not wish to consider this – and that is in respect of the controlling officer, because I note the current controlling officer identified is actually on the board of the University – it may be more appropriate to identify somebody else, i.e. maybe the Financial Secretary or some other individual as a controlling head.

Hon. Dr J E Cortes: I do not think there is any need to reply to that. It is not relevant to the Bill.

Hon. Chief Minister: Mr Chairman, we hear what the hon. Gentleman says. It is not a million miles from some discussions that we are having about how to ensure that there is independence in the board versus the way it is structured at the moment, so on that subject it may be that we are not a million miles away from the conclusion that the hon. Gentleman is inviting.

Mr Chairman: Other charges stand part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Still payroll for University ... *[Inaudible]* we are... really, Gibraltar University – it is other charges, £½ million. Any questions on that?

Hon. Chief Minister: Mr Chairman, the hon. Gentleman wants to reduce that one? I am quite happy if he wants to move a motion to reduce that head of charge, which he wanted to do last year.

Mr Chairman: Other charges for the University stand part of the Bill.
Heritage, head 18.

Clerk: Head 18, Heritage; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

650

Hon. R M Clinton: Mr Chairman, contractor services, heritage, £1.490 million – I believe that was shown under Culture, or part of Culture, in previous years as part of a much larger number. Can the Government confirm that is for the running of the museum, or are there other charges in there?

655

Hon. Dr J E Cortes: Yes, that is for the running of the museum and there is also provision for, linked to the museum, the World Heritage site. Yes, Mr Chairman, when it was together with Culture, there was also the Gibraltar Cultural Services, which clearly was higher. That is now under the Ministry for Culture and this therefore has been split up. Now we are only showing the contractors who run the museum. The Culture one will appear later when we look at the Ministry for Culture. This is why it is now split between two.

660

Mr Chairman: Other charges stand part of the Bill.

665

Clerk: Head 19, Technical Services; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

670

Mr Chairman: Stands part of the Bill.

Clerk: Head 20, Driver and Vehicle Licensing; subhead 1, Payroll.

675

Hon. R M Clinton: Mr Chairman, subhead 1(1)(a) salaries – in this case I have the reverse of a previous situation, where we have salaries going up from the actual £700,000 to £806,000, and yet the complement seems to be going down.

680

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Chairman, the reason why it has gone down is due to a vacant technical post due to the retirement of one of the technical grades.

Mr R M Clinton: Mr Chairman, it is counterintuitive – your headcount goes down but your payroll goes up. Is it because there is some kind of change in pay structure?

685

Hon. P J Balban: Mr Chairman, there were vacancies in there last year which were not filled, hence the decrease. There were also four members of staff on maternity – unpaid maternity.

Mr Chairman: Stands part of the Bill.

690

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

695

Clerk: Head 21, Town Planning and Building Control.

Mr Chairman: Payroll stands part of the Bill.

Clerk: Subhead 2, Other Charges.

700

Mr Chairman: Stands part of the Bill.

Clerk: Head 22, Statistics Office; subhead 1, Payroll.

705 **Mr Chairman:** Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

710 **Mr Chairman:** Stands part of the Bill.

Clerk: Head 23, Procurement Office; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

715 **Clerk:** Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

720 **Clerk:** Head 24, Economic Development; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

725 **Hon. R M Clinton:** Mr Chairman, I would be grateful, under subhead 2(1)(g), audit fees, for what audit fees this particular Department is paying for.

Hon. J J Bossano: These are the audit fees in relation to the returns that have to be made by the EU funding.

730 **Mr Chairman:** Stands part of the Bill.

Clerk: Head 25, Housing Administration; subhead 1, Payroll.

735 **Mr Chairman:** Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

740 **Hon. R M Clinton:** Mr Chairman, under subhead 2(2)(h), service charges, Government leaseholds, I note that the outturn was £11,000 last year and they now project £58,000. I was just wondering why.

745 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Chairman, we pay service charges on the stock and we have greater stock this year through Seamaster Lodge and Charles Bruzon House.

Mr Chairman: Other charges stand part of the Bill.

750 **Clerk:** Head 26, Equality; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

755 **Hon. R M Clinton:** Mr Chairman, I just note under subhead 2(7) £920,000. Is that an entirely new item or a reallocation from another area?

Hon. Miss S J Sacramento: Mr Chairman, that is as a result of a restructure, and this encompasses the Ministry for Drugs, so this, in the last Estimates Book, came under the Care Agency because this is the Drug Rehabilitation Services. So it is not an increase; it is just represented on a different page of the book this year.

Mr Chairman: Stands part of the Bill.

765 **Clerk:** Head 27, Health; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.
Other charges.

770 **Clerk:** Subhead 2, Other Charges.

Hon. R M Clinton: Mr Chairman, in grants I notice two specific grants for cancer. Were these under No. 6 last year or somewhere else?

775 **Hon. Chief Minister:** Mr Chairman, only one of them was, as I understand it, which was the first one. The second one is not something that has started yet. It is anticipated it will start this year and we thought it more appropriate that it be set out in the context of the Health grants rather than in No. 6, because there is going to be a lot of synergy between the GHA and the magnificent Cancer Relief Centre people, and particularly in the running of their hospice they will need a lot of support from GHA and vice versa.

780

Mr Chairman: Stands part of the Bill.

Clerk: Head 28, Gibraltar Health Authority Elderly Residential Services Section; subhead 1, Payroll.

785

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

790

Clerk: Head 29, Care Agency.

Chairman: Stands part of the Bill. Payroll. Other Charges.

795 **Clerk:** Subhead 2, Other Charges.

Chairman: Stands part of the Bill.

Clerk: Head 30, Policing; subhead 1, Payroll.

800

Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

805 **Hon. R M Clinton:** Mr Chairman, I notice under subhead 2 (2) ... hang on ... It seems to have changed number. At the top of page 107, 2(6), there is a finance repayment there for £15,000. I was wondering what that is in relation to.

810 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Chairman, it is for a piece of equipment that is called 'Life Scan'.

Hon. R M Clinton: Mr Chairman, could the Minister advise the total cost and the term under the financing?

815 **Hon. N F Costa:** Mr Chairman, the terms of the financing have not been finalised yet. The total amount is going to be £164,000, so we are looking at financing over a period of five years.

820 **Hon. R M Clinton:** Mr Chairman, I just have one perhaps generic question but it is related to this: when does the Government decide as to when something should be financed as opposed to purchased outright through the Improvement & Development Fund?

825 **Hon. Chief Minister:** It is a decision driven, Mr Chairman, by the type of item we are dealing with, the longevity of the value of the item and the urgency in obtaining it. In some instances the Financial Secretary tells us that he thinks it makes sense to finance the item, and in other instances we are advised it is better to finance than an outright payment.

Mr Chairman: Other charges stand part of the Bill.

830 **Clerk:** Head 31, Prison; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

835 **Mr Chairman:** Stands part of the Bill.

Clerk: Head 32, Gibraltar Law Courts; subhead 1, Payroll.

840 **Mr Chairman:** Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

845 **Clerk:** Head 33, Justice; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

850 **Mr Chairman:** Stands part of the Bill.

Clerk: Head 34, Tourism; subhead 1, Payroll.

855 **Mr Chairman:** Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

860

Clerk: Head 35, Employment; subhead 1, Payroll.

Hon. T N Hammond: Mr Chairman, as with some of the other queries about the salaries, as opposed to the headcount, I note under Employment headcount remains 31 for both 2016 -
865 2017 and the year 2017 - 2018, and yet the salary dives from just over £1 million for 2016-17 in the estimates, albeit down to £755,000 in the outturn, by another £100,000 drop in the estimate for 2017-18 to £652,000. I just wonder how we arrive at that figure, bearing in mind the headcount in total remains unchanged.

870 **Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi):** Mr Chairman, the relevant figure for this year is the forecast outturn, how much it has actually cost us, and it is now estimated that for next year it is going to cost us a little bit less for the reasons which have already been espoused on this side of the House.

875 **Hon. T N Hammond:** What were those reasons? Forgive me.

Hon. G H Licudi: There are jobs that have not been filled and may not be filled and are being looked at throughout ... This is a consistent item throughout the book and it is a matter that is being looked at.

880

Hon. J J Bossano: ... *[Inaudible]* I think that Members opposite will welcome, I hope, and that is that if they actually count all the numbers they will find that the total number is down on last year, not up.

885 Within the Departments the standard practice in the past has been to provide throughout the Departments for the filling of all the vacancies on the basis of making a provision of 50% of the salary, irrespective of whether they were likely to be ... An estimate was made that, on average, if there were 100 vacancies you provided for 50 on the premise that on average it would take six months to get them all filled. Since we are looking at where the efficiencies are going to happen, what we have now got is that that 50% that would have been included has not
890 been included and therefore where the vacancies come, instead of there being an amount in the personal emoluments already there for people who do not exist, it will come out from the combined supplementary head that we have got at the end. We may find that in some cases the final figure, hopefully, will be the reduced figure that we have got. In other words, it will be up.

895 **Mr Chairman:** Payroll stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

900

Clerk: Head 36, Commercial Aviation; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

905 **Clerk:** Subhead 2, Other Charges.

Hon. R M Clinton: Mr Chairman, I do not know if this is a typo, but under subhead 2(5) we have tribunals, income Tax, development appeals, housing tribunal and previously, it says, that

was under Justice. I am just a bit mystified as to what it would be doing under commercial aviation.

Hon. G H Licudi: I am not sure that it answers the hon. Member's question, and we may need to find further information for that specific question, but I should say 'commercial aviation', essentially what it encompasses is the office of the Minister. Whereas previously my Ministry came under Justice, following the reshuffle it had to be put under some other head, and the head that has been found this year to put the whole of my Ministry, the Ministry office itself, is commercial aviation, and to that you have to add the running of the Airport, including the Gibraltar Airport and the Fire and Rescue Service. *(Interjection)* Yes.

A separate issue is the tribunals, which involve Income Tax, development appeals and housing tribunals, which as far as I am aware do not come under my Ministry and the hon. Member may be right. It is not something I had spotted and the hon. Member may be right. I have given the explanation as to why commercial aviation is structured in that particular way, but on this particular item the hon. Member may be right and we probably have to put it somewhere else and it has not been spotted previously.

Hon. Chief Minister: The hon. Member will see that this has a nominal amount of expenditure in it, so we will see where it would be ... I think it may be left over from the head as it was, the old head.

Hon. N F Costa: In any case, Mr Chairman, perhaps to just provide some further elucidation, the Development Appeals Tribunal, of which I am the chair, does not cost any money to the taxpayer, so it will not go anywhere near £1,000; it has always been zero p.

Hon. R M Clinton: No, Mr Chairman, I think my comment was just in terms of where it appeared in the book, but I have no comment about the level of the amounts.

Mr Chairman: Other charges stand part of the Bill.

Clerk: Head 37, Port; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

Clerk: Head 38, Maritime Services; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

Clerk: Head 39, Social Security; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

Clerk: Head 40, Civil Contingency; subhead 1, Payroll.

965 **Mr Chairman:** Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

970

Clerk: Head 41, Fire and Rescue Service; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

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Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

Clerk: Head 42, Culture; subhead 1, Payroll.

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Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

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Mr Chairman: Stands part of the Bill.

Clerk: Head 43, Broadcasting; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

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Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

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Clerk: Head 44, Youth; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

1000

Mr Chairman: Stands part of the Bill.

Clerk: Head 45, Sport and Leisure; subhead 1, Payroll.

1005

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

1010

Clerk: Head 46, Financial Services; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

1015 **Clerk:** Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

1020 **Clerk:** Head 47, Gambling Division; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

1025 **Mr Chairman:** Stands part of the Bill.

Clerk: Head 48, Commerce; subhead 1, Payroll.

1030 **Mr Chairman:** Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

1035 **Clerk:** Head 49, Postal Services; subhead 1, Payroll.

Mr Chairman: Stands part of the Bill.

1040 **Clerk:** Subhead 2, Other Charges.

Mr Chairman: Stands part of the Bill.

Clerk: Head 50, Gibraltar Audit Office; subhead 1, Payroll.

1045 **Mr Chairman:** Stands part of the Bill.

Clerk: Subhead 2, Other Charges.

1050 **Mr Chairman:** Stands part of the Bill.

Clerk: Head 51, Gibraltar Regulatory Authority; subhead 1.

Mr Chairman: Stands part of the Bill.

1055 **Clerk:** Subhead 2, Other Charges.

1060 **Hon. R M Clinton:** Mr Chairman, I do not have the accounts in front of me, but from memory I think the Gibraltar Regulatory Authority has been showing a surplus. I was just wondering if the Government could explain why there is a contribution, unless this is under a particular law.

Hon. Chief Minister: Mr Chairman, the submission from the GRA reflected a reorganisation and, as a result of that, some increased salaries for some officers, which required this contribution.

1065 **Hon. R M Clinton:** Mr Chairman, I am grateful for that. Perhaps the Chief Secretary can advise the Chief Minister: is my recollection correct that the Regulatory Authority actually has a healthy surplus before this contribution for next year?

1070 **Hon. Chief Minister:** Mr Chairman, the advice that we have is that the surplus is taken into consideration when determining the figure that has to be given to them.

Mr Chairman: Gibraltar Regulatory Authority other charges stand part of the Bill.

1075 **Clerk:** We now move to clause 3 of the Bill and we go to page 165 of the book.

Mr Chairman: Clause 3?

Clerk: We move to clause 3, which is at page 165 of the book.
Head 53, Contribution to Government-owned Companies; subhead 1, Contribution to
1080 Government-owned Companies.

Mr Chairman: Stands part of the Bill.

1085 **Clerk:** Head 54, Transfer from Government Surplus; subhead 1, Payment to Social Assistance Fund Import Duty Transfer from Government Surplus.

Mr Chairman: Stands part of the Bill.

1090 **Clerk:** Head 55, Contribution to the Improvement and Development Fund; subhead 1, Contribution to the Improvement and Development Fund.

Mr Chairman: Stands part of the Bill.

1095 **Clerk:** We now move to clause 4 of the Bill. This is at page 170 of the book. Improvement and Development Fund. Head 101, Works and Equipment; subhead 1, Works and Equipment.

Mr Chairman: Stands part of the Bill.

1100 **Clerk:** Head 102, Projects; subhead 1, Roads and Parking Projects.

Hon. T N Hammond: Mr Chairman, if I may, just to check the costs for the highway resurfacing programme under subhead 1: is that specifically and only in relation to the area of the tunnel and the associated roads?

1105 **Hon. P J Balban:** Mr Chairman, the highways resurfacing programme, no; that is to do with roads generally.

1110 **Hon. T N Hammond:** Can I just confirm then the entire budget for road resurfacing next year is estimated to be £300,000?

Hon. P J Balban: Mr Chairman, that is correct.

1115 **Hon. T N Hammond:** Mr Chairman, I am just slightly confused because under head 101, number 1 (0) (iv), there is road maintenance and resurfacing, which comes in with an estimate of £815,000, so if that is ... I am slightly confused as to the Minister's response in that respect.

Hon. P J Balban: Mr Chairman, that head includes all the ongoing maintenance to our roads – potholes and mainly works that come out as a result of rain and damage and storms. So that is the lion's share, if you like, of the money's being asked for this year.

Hon. T N Hammond: I am just trying to draw a distinction here, or understand the distinction between what constitutes road maintenance and resurfacing, and why resurfacing appears in two separate heads – which is why I asked originally why one was particular to that area of North Front, whereas the other is a more general maintenance and resurfacing programme.

Hon. P J Balban: Mr Chairman, the £300,000 under subhead 1(3) is for the specific project, the highways resurfacing programme. The other subhead, which is 1 (0) (iv), is for general maintenance and repair works. As a result of bad weather, if roads are in a bad state then that is where the money is derived from. The £300,000 is specifically for roads that we feel need to be resurfaced but not as a result of damage caused by storm or wear and tear.

Mr Chairman: Is there a question? Yes, the Hon. –

Hon. T N Hammond: We are still on 102, yes? Head 102, I believe, yes? Under subhead (4)(d), climate change and renewables –

Mr Chairman: We are on head 102, Projects; subhead 1, Roads and Parking Projects. Any questions on roads and parking projects? Stands part of the Bill, then.

Clerk: Subhead 2, Reallocation Costs.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 3, Reclamation Projects.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 4, Other Projects.

Mr Chairman: The Hon. Elliott Phillips.

Hon. E J Phillips: Mr Chairman, insofar as (4)(q)(iii), repairs to the fence, in light of the recent commitment by the Government to reconstruct and fortify with a no-climb fence, and also given the fact that in 2013 the Government spent £130,000 on the fence itself, surely the figure of £10,000 is going to increase substantially. Can the Government give any indication as to the amounts that would be spent to reconstruct and refortify, including the building of a no-climb fence?

Hon. Chief Minister: Mr Speaker, the cost in respect of that fence, the fence that the hon. Gentleman photographed, is dealt with under the tunnel project because it is part of the tunnel site.

Hon. E J Phillips: Just one further question in relation to subhead (4)(z)(w). I understand there is an earmark of £1,000. Again, I would have expected that to be a lot higher, the provision ... new schools.

Hon. Chief Minister: Well, Mr Chairman, it is the opening of the head which has to happen for the purposes of the work that will commence. He will see how that project develops. There is

a clear indication from the Minister of a target date for completion, so he will see how the cost is accounted for.

Hon. R M Clinton: Mr Chairman, if I could ask, under (4)(g), Wellington Front 1 development: the estimate was £810,000 and we came in at £1.5 million – I was wondering if there is something special about the overspend.

Hon. S E Linares: Mr Chairman, yes, there were many other works as we got into Wellington Front. We had a fixed contract, as in tender process, but when we went into Wellington Front there were many vaults that needed things like sandblasting inside, which was not part of the contract. Therefore, that is the overspend as such, because when we went there many of the tenants were complaining about the consequences and the things that were happening underneath the vaults, which was not part of the contract. That is why. We went there and we took the decision of doing the vaults as well.

Hon. T N Hammond: Mr Chairman, on the same subhead, and indeed the same sub-clause, I notice the Wellington Front development remains open with a £1,000 estimate. I was under the impression that the project was complete. Presumably there are still some works to be completed there.

Hon. S E Linares: The project is complete but we have left a sum there in case, because it is an old building ... That is the problem with refurbishing old buildings. Because it is an old building, sometimes things crop up like water ingress from places you never envisaged water ingress coming from, so we left £1,000 just in case, when the winter comes, if we have to do any other works that need to be done we have a head there.

Hon. R M Clinton: Mr Chairman, if I could reference item (u), Commonwealth Park, £450,000 estimated for this year – if I could ask what that would be in relation to.

Hon. Dr J E Cortes: Yes, Mr Chairman, final payments. There were funds – as is often the case in major projects – retained for a period of time to ensure that all was well, and now that is due for payment.

Mr Chairman: Stands part of the Bill.

Clerk: Subhead 5, Equity Funding/Funding.

Mr Chairman: Stands part of the Bill.

Clerk: We now move to clause 5 of the Bill.

Mr Chairman: In respect of clause 5, the Hon. Roy Clinton has circulated an amendment which I invite him to move.

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

The amendment I propose is that clause 5 be amended by the addition of the following words at the end of that clause, namely, ‘no supplementary appropriation is to be allowed to head 52’, so that the revised clause 5 would read as it stands at the moment with just those words added at the end, i.e. ‘no supplementary appropriation is to be allowed to head 52’.

The reason for suggesting this amendment is that I have noticed it has become the habit when we come to the supplementary appropriations that this particular head 52, which is generally described as ‘supplementary provision’ and more specifically within the book as being

‘to generally fund pay settlements and supplementary expenditure which can be reallocated to other heads of Department as a provision for the year ended 31st March 2018’ ... When it comes to supplementary appropriation, a habit seems to have developed whereby rather than, as I believe the Constitution envisaged, the supplementary appropriation be by head ... instead of which we seem to be getting into the habit where a lump sum is appropriated into head 52 and then reallocated out from there, which I do not think was the intention of the rules surrounding supplementary appropriation, especially since this particular head is in the form of a provision, which in my mind you either expend or you do not, but I do not think it is appropriate that it should be added to thereafter.

Therefore, Mr Chairman, what I am suggesting is we add this wording at the end of head 52 so that there can be no doubt in anybody’s mind that £9 million is the amount in the head – you can spend that amount and reallocate it but you cannot come back to this House and ask for a further allocation to that head. If you do need supplementary appropriation on other heads, you do it as it was done in the past where you do it head by head, Department by Department, so as to give full visibility when you come to appropriate for the supplementary expenditure.

I believe, Mr Chairman, that is what was done in the past and I believe that is probably what was intended by the Constitution and the Public Finance (Control and Audit) Act. What we have is a situation where you have a general account, and I can accept it where it is for use within the year but to add to it after the close of the year seems counterintuitive. That is why I am proposing this amendment. It has no impact whatsoever, as the Members of this House will realise, it has no impact on expenditure, it does not increase any charges, does not decrease any charges. This is purely a question of process and the mechanism by which future appropriations to this Appropriation Bill would be affected. So, in future if there is, for example, an overspend on the Port or education or health, it would come with a specific head attached to it with a specific number, rather than a total that goes into the generic account supplementary provision. I trust that hon. Members of the House will appreciate this is not in any way, shape or form trying to score points, but is just, I think, the proper mechanism by which supplementary appropriation should occur.

Thank you, Mr Chairman.

Hon. Chief Minister: Mr Chairman, the Government will not be supporting this amendment.

The hon. Gentleman has said, in the context of the presentation, that the intention, when the Public Finance (Control and Audit) Act was done, was that the appropriations which are supplementary should be dealt with in the way that he suggested and not as has been the case.

Of course, I have had to look at what the practice has been. The practice that he is complaining of first arose in 1997-98 when the former Chief Minister was the Minister for Finance. The former Chief Minister, Sir Peter Caruana, amended the Public Finance (Control and Audit) Act and led the negotiations on the new Constitution and the presentation of the new Constitution in referendum to the general public – and of course, as he knows, all of these things are linked. Therefore, it is clear that the intention of the person who passed the Bill and who therefore devised this structure is the intention that we are seeing here.

I have looked back at a number of Appropriation Bills. I have looked at the 2008 Bill – it has a similar provision to the one we have today, without the caveat in words the hon. Gentleman has referred to; the 2005 Bill; the 2004 Bill. Mr Chairman, I wanted to look before the new Constitution and after, because of course that affects the Public Finance (Control and Audit) Act. I think it is very clear that the introduction of the head was a matter which was brought about by hon. Members’ party when they were last in government. It was introduced when the former Chief Minister was Minister for Finance and clearly intention of the legislature has to be inferred from the fact that the person who brought the legislation to the legislature at the time and interpreted the legislation after 2006 acted in the manner that I am setting out.

And so therefore, Mr Chairman, the Government will not be supporting the proposals set out by the hon. Gentleman in his amendment, although I must say it is remarkable that he is

presenting an amendment to a Bill that he intends to vote against; (**A Member:** Exactly.) so we are going through the Committee Stage, but when we come to the Third Reading they are going to vote against, just like they voted against in the Second Reading. And so they want to amend the Bill that they then allow us to approve on our own.

Well, look, Mr Chairman, we are going to approve it with our votes – and with the votes of the hon. Lady and the Hon. Mr Llamas, if they vote as they voted in the Second Reading – and we are going to approve it on the basis of the Bill presented to the House, not with the amendment that he proposes.

Hon. R M Clinton: Mr Chairman, just to clarify for the record, whereas I do not dispute that the form of provision or head had been correct, certainly under a previous GSD administration, what we have not seen under the previous GSD administration is a supplementary appropriation to that particular head. I have gone back and looked at the Appropriation Bill for 2010-11 and certainly there was a supplementary appropriation but it was by individual head and not to this supplementary provision head. It is a practice that his Government has fallen into the habit of doing, whereby there is a reallocation of the supplementary provision after the year is ended by bringing to this House a Bill to supplementary appropriate to that head and not to the individual other heads.

It is regrettable, Mr Chairman, that the Government does not feel able to support this amendment which I think would be useful in future, but I do believe that the manner in which this provision is being used in respect of supplementaries in my view is not what was intended in terms of its original use; and the reason for its creation, as the Father of the House has told me in the past, was for supplementary pay awards during the year, but certainly not to top it up at the end of the year once you have overspent in Health and Education, and other areas perhaps, and to reallocate out of that. I think that is a use of that particular subhead which runs contrary to what the Constitution says. Indeed, the Constitution, under 69(3)(b), says:

If ... any moneys have been expended on any head of expenditure in excess of the amount appropriated for the purposes included in that head by the appropriation law or for a purpose for which no amount has been appropriated by the appropriation law, the Minister ... shall cause a supplementary estimate showing the sums required or spent to be prepared and laid before the Parliament ...

But if he just gets a lump sum and puts it into this provision and then reallocates it himself and gives us a schedule after the event, there is no way this Parliament has any way of knowing what it is or which heads he is putting a supplementary appropriation to, which is why I was suggesting by all means keep the clause and keep the head but cap it at the amount of the provision as provided in the Bill, and that no further appropriation should be allowed to it.

If the Government is not minded to support my amendment, so be it, but I will have more to say on this when we do debate the supplementary Appropriation Bill.

Thank you, Mr Chairman.

Hon. Chief Minister: Well, Mr Chairman, I look forward to see whether he actually comes up with anything persuasive at some stage when he talks about Appropriation Bills, but for now the Government's position is clear and if you put it to the vote we will express our views by voting in the appropriate way.

Mr Chairman: Does anybody else wish to speak on this amendment?

I will therefore put Mr Clinton's amendment to the vote. Those in favour? (**Several Members:** Aye.) Those against? (**Several Members:** No.) Carried. The amendment is defeated.

Clerk: We move to page 164 of the book. Head 52, Supplementary Provision; subhead 1, Supplementary Funding.

1320 **Mr Chairman:** Stands part of the Bill.

Clerk: We now consider clauses 6 and 7 of the Bill and we move to page 182 of the book. Gibraltar Development Corporation, Appendix B.

1325 **Mr Chairman:** This is all Appendix B. Does anybody have any question?

Clerk: Borders and Coastguard Agency, Appendix C.

Mr Chairman: Stands part of the Bill.

1330 **Clerk:** Gibraltar Electricity Authority, Appendix D.

Mr Chairman: Stands part of the Bill.

1335 **Clerk:** Housing Works Agency, Appendix E.

Mr Chairman: Stands part of the Bill.

Clerk: Gibraltar Health Authority, Appendix F.

1340 **Hon. T N Hammond:** Mr Chairman, just with respect to salaries, again I am not detecting any substantial change in the overall headcount of the Health Authority. I see there are slightly fewer part-time jobs but overall the numbers are, in percentage terms, almost identical – and yet there appears to be a £3.2 million increase in the salaries. Is it understood what the reason for that is?

Hon. N F Costa: Yes, Mr Chairman, if the hon. Gentleman would go to relief cover, he will see that there is a drop from £5.6 million to £2.5 million. That is because we have been advertising posts, which will therefore make them salaried officials rather than locum cover.

1350 **Hon. R M Clinton:** Mr Chairman, in respect of line 16-17, prescriptions and drugs, I note there is quite a large increase on Group Practice Medical Scheme prescriptions for this coming year, but there seems to be almost a compensating drop in drugs and pharmaceuticals. I would be grateful if the Minister could explain the variation. Are we looking at reallocation or is there some kind of different methodology?

1360 **Hon. N F Costa:** Mr Chairman, I did set out the reasons during the course of my Budget speech. I explained to the hon. Gentleman that the new finance team has implemented a series of controls. We are confident that as a result of the measures being taken and direct negotiations with the different companies that provide the drugs and pharmaceuticals to the GHA we will be able to come lower than we did in this financial year. Of course we will see at the end of the financial year whether we have been successful in that or not.

1365 **Hon. R M Clinton:** Mr Chairman, I am grateful for that, but can he explain why the large increase in Group Practice Medical Scheme prescriptions?

1370 **Hon. N F Costa:** Mr Chairman, as the hon. Gentleman may recall, the GHA has been introducing a new electronic system as a result of which there have been some payments to pharmacies that we are catching up on, and that is the amount that will take into account the payments to the pharmacies.

Hon. R M Clinton: Sorry, Mr Chairman, there was a problem with the prescriptions system and this is catch-up payment?

1375 **Hon. N F Costa:** The GHA introduced during the tenure of my predecessor a new system called EMIS Health – I am sure that my hon. predecessor made comments about it at the time during the course of the Budget speech – and as a result of the change from one system to the other we are just adjusting and pharmacies are being paid as a result of that transitional period.

1380 **Hon. Dr J E Cortes:** If I may assist, during the time of the transition, because the system was changing, there was a time lag in which the figures actually owed to the pharmacies could be reconciled, so I believe, if memory serves me right, there was a calculation done on 85% of the previous year and that was what was paid, and when the system was implemented it was then adjusted to reflect the actual costs. So there is a backlog there that has to be caught up.

1385 **Hon. R M Clinton:** Mr Chairman, on more mundane things, laundry and cleaning on line 24, I am just curious as to how they are going to achieve such a large saving on what is such an essential item.

1390 **Hon. N F Costa:** Mr Chairman, the Financial Secretary reminds me that this was as a result of an internal rationalisation and this was the figure that the finance team has arrived at, and we think that we will be able to provide the laundry services that are provided to the GHA at £300,000 as opposed to £450,000. Once again, as I said to the hon. Gentleman during the course of my Budget speech, we are holding monthly financial control meetings, so we will know, I daresay within six months, whether or not we are on track with the estimates that we are making during the course of this financial year.

1400 **Hon. D A Feetham:** Mr Chairman, in relation to sponsored patients, the hon. Gentleman may recall that there have been exchanges during Question Time in relation to ... I asked whether there had been a change in practice in relation to sponsored patients. That was in March and the hon. Gentleman told me that there was no change in sponsored patients. But this appears to indicate that in fact there is a substantial decrease in sponsored patient expenditure from £19.5 million to £14 million. Presumably there has been a change in practice. Could the hon. Gentleman explain that?

1405 **Hon. N F Costa:** Mr Chairman, to answer the various questions that the Hon. the Leader of the Opposition has put to me, if you were to consider the estimate that was made for 2016-17, you will see that the amount that was actually spent was almost £8 million more, which means that it has been very much demand led. He says that I mentioned in an answer to a question to him there had been no change in the policy, and I stand by that – there has not been a change in the policy.

1410 I also mentioned during the course of the Budget speech to the hon. Gentleman opposite that – I think it was on 4th May – there has been a committee set up comprised of the most senior physicians in the GHA, where referrals now are checked by this committee and they are either confirmed or otherwise, and after having looked certainly at this subhead significantly, we are confident that we will be able to, as a result of this new committee, which has not changed the policy in terms of when persons are sent to Spain or to the UK but rather it provides a quality assurance that the right decisions are being taken by a wider field of consultants rather than just the one referring consultant ... We think that the £14 million will be the right amount, but once again we will see within the course of the financial year whether we are correct in our estimate or we are not.

1415

1420

Hon. T N Hammond: Mr Chairman, line 27, motor vehicle and fuel expenses, again I note from the forecast outturn of £250,000 for this year a reduction to £150,000 for next year. I know we were discussing fuel prices earlier. I do not think they are down that significantly to indicate a reduction of £100,000 in the costs. Is there another reason why we may expect that particular cost to go down so dramatically?

Hon. N F Costa: Mr Chairman, once again this is an attempt internally by my Ministry and the new finance team at rationalisation, and in an attempt to save money. I would hope that the hon. Gentleman will in due course – if we are correct in the estimate of being able to spend less on motor vehicle and fuel expenses – that he, at the appropriate juncture, congratulate us for being able to do so. But, as I say, where we estimate less expenditure than in the course of this financial year, it is as a result of internal controls that we are implementing. During the course of the Budget speech I gave indication of the major heads of which we think we will be able to be more financially prudent, and motor vehicle and fuel expenses was one of those subheads.

Hon. T N Hammond: I would be more than happy to congratulate the Minister should he achieve his targets.

Can I just get an assurance that that rationalisation does not involve any reduction in the ambulance fleet, for instance, or in any other mission-critical vehicle, shall we say?

Hon. N F Costa: Mr Chairman, the hon. Gentleman also was not listening to the course of my Budget contribution. I appreciate that it was probably one of the longest ones, but I did say there that as a result of the increase to the staff of the complement of the Ambulance Service, which was increasing by eight ambulance care assistants, we would actually be taking a new emergency ambulance in July, we will be taking an additional emergency ambulance in December and we will be taking over the ambulance that the Gibraltar Fire Service provides, so there is no question of us spending less. In fact, we are spending more in terms of human resources and resources to be able to service the community, and the Financial Secretary has very helpfully reminded me that with solar panels that should also reduce the fuel spend on the generator.

Hon. T N Hammond: Can I just confirm? So the cost of those new vehicles, which are very welcome indeed ... They obviously do not feature in this head. Did I miss them in the capital expenditure head? Where might I find them? If the Minister could provide guidance.

Hon. N F Costa: Mr Chairman, they will be in the capital account: receipts and contributions from the I & D Fund.

Hon. T N Hammond: Mr Chairman, moving on from that point to line 42, disposal of clinical waste. Again, I know, quite a substantial reduction – I am sure the Minister will say it was in his speech, but it was a very long speech – *(Interjection by Hon. Chief Minister)* It is a reduction of £730,000, almost halving the overall bill from the outturn expected. Can the Minister explain how that will be achieved?

Hon. N F Costa: Mr Chairman, in the first place, the hon. Gentleman should thank the Chair for the fact that it was only an hour and a half; it was probably more like three hours, but after the Chair's admonition I sought to reduce the speech substantially. I still did not escape a ticking off, however.

In respect of the waste, this is something again that the finance team and I have looked into and we actually think that the money being spent is too high and there are ways in which, by proper education and more robust protocols, we can ensure that the bins, the way that they are used, are used properly, because every time they are taken from the GHA, from any areas of the

1475 GHA, we need to pay a fee, and unfortunately sometimes those bins are full before they ought
to be because they are not being used clinically as they ought to be. So we are in the process of
issuing entirely new and more robust protocols to make sure that the bins are used properly and
the matrons, part of their job will be to make sure that clinicians and nurses use those waste
1480 bins properly in order to reduce cost. It is actually, as the hon. Gentleman rightly noted, quite a
high item of expenditure which we think we can greatly reduce.

Hon. T N Hammond: And I promise to congratulate the Minister should he achieve that target also.

One more: going down to security, Mr Chairman, again I note – and in the first instance I do
1485 congratulate the Minister in, already, the reduction of the actual to the forecast outturn, but I do
notice that again we are reducing the estimate by about 25%, by £90,000. Is there a reason for
that? Clearly I am not assuming it is a reduction of security. Is it new technology being
introduced, or anything like that, at the hospital?

1490 **Hon. N F Costa:** Mr Chairman, the Director of Finance of the GHA is outside and they are
going to ask the question now, so perhaps if we can move on I will move back as soon as I have
the answer for the hon. Gentleman.

Mr Chairman, this is an item of expenditure that I certainly have no recollection of discussing
trying to reduce, so it may well be that this slipped the net and it should be exactly the same;
1495 but as I say, I will confirm with the Finance Director and get back to him.

Mr Chairman: Any other questions? No. Then Gibraltar Health Authority stands part of the Bill.

1500 **Clerk:** Gibraltar Health Authority Elderly Residential Services Section, Appendix G.

Mr Chairman: Stands part of the Bill.

Clerk: Care Agency, Appendix H.

1505 **Mr Chairman:** Stands part of the Bill.

Clerk: Gibraltar Port Authority, Appendix I.

1510 **Mr Chairman:** Stands part of the Bill.

Clerk: Gibraltar Sports and Leisure Authority, Appendix J.

1515 **Hon. T N Hammond:** Mr Chairman, line 24, hosting of special sports and leisure events: I note
quite a substantial rise in the estimate from the forecast outturn for this year, and indeed last
year's estimate, to the tune of about £300,000. Is that because there is a particular event
envisaged to happen in the next 12 months that would cover that cost?

1520 **Hon. S E Linares:** Mr Chairman, it is to do with certain events that we are hosting and
therefore we have increased the amount this year. We are hosting more events. Remember that
the more events we do, the more tourism we get and the more benefit to the economy
generally. For example, one of them is the Pool Masters that we do, and there are other events
that we have increased during the year.

1525 **Hon. T N Hammond:** Yes, I am certainly not judging as to the value; I was only wondering as
to the increase in costs. Mr Chairman, thank you.

Mr Chairman: Gibraltar Sports and Leisure Authority stands part of the Bill.

1530 **Clerk:** The long title.

Mr Chairman: Stands part of the Bill.

BILL FOR THIRD READING

**Appropriation Bill 2017 –
Third Reading approved**

Mr Speaker: The Hon. the Chief Minister.

1535

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Appropriation Bill 2017 has been considered in Committee and agreed to with no amendments, and I now move that it be read a third time and passed.

1540

Mr Speaker: I now put the question, which is that the Appropriation Bill 2017 - 2018 be read a third time and carried.

Hon. Chief Minister: Mr Speaker, I call a division on the Third Reading.

1545

Mr Speaker: Call the division, please.

A division was called for and voting resulted as follows:

FOR

Hon. P J Balban
Hon. J J Bossano
Hon. Dr J E Cortes
Hon. N F Costa
Hon. Dr J J Garcia
Hon. Ms M D Hassan Nahon
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. L F Llamas
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. R M Clinton
Hon. D A Feetham
Hon. T N Hammond
Hon. E J Phillips

ABSENT

Hon. E J Reyes

Mr Speaker: There is one absent Member. Four Members have voted against, 12 have voted in favour, and therefore the Appropriation Bill 2017 – 2018 has been approved.

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

1550

Hon. Chief Minister: Mr Speaker, I rise now to adjourn the House, satisfied that Gibraltar will not be liquidated, that we will not be destroyed, that we will have an appropriation, that the schools will stay open, that the hospitals will stay open.

I want to thank the people sitting behind me who produced this magnificent book (**Several Members:** Hear, hear.) (*Banging on desks*) which sets out all of the detail of the spending of the Government of Gibraltar, and I want to specifically thank, on behalf of the whole of the

1555 community, Lawrence Llamas, Marlene Hassan Nahon, Steven Linares, John Cortes, Samantha Sacramento, Neil Costa, Joseph Garcia, Joe Bossano, Paul Balban, Gilbert Licudi and Albert Isola for joining me in voting this appropriation.

I move, Mr Speaker, that the House do now adjourn, still in Bills, for I have no intention of calling a fresh meeting of the House until Wednesday the 12th at three o'clock in the afternoon.

1560 **Mr Speaker:** I am delighted to propose that the House do now adjourn to Wednesday, 12th July at three in the afternoon. Those in favour? (**Members:** Aye.) Those against?

The House will now adjourn to Wednesday, 12th July at three in the afternoon.

The House adjourned at 4.47 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.06 p.m. – 5.10 p.m.

Gibraltar, Wednesday, 12th July 2017

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<i>The House adjourned at 5.10 p.m.</i>	<i>32</i>

The Gibraltar Parliament

The Parliament met at 3.06 p.m.

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

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

Personal Statement by Hon. D A Feetham

Clerk: Wednesday, 12th July, continuation of the meeting of the House.

Mr Speaker: The Leader of the Opposition has asked for leave to make a Personal Statement.
5 The Hon. Daniel Feetham.

Hon. D A Feetham: Mr Speaker, today will be my last day as Leader of Her Majesty's Opposition in Gibraltar and I ask Mr Speaker to recognise my hon. Friend Mr Clinton as Leader of Her Majesty's Opposition as from close of parliamentary business today.

Personal Statement by Hon. L F Llamas

10 **Mr Speaker:** I have also been asked for leave by the Hon. Lawrence Llamas also to make a Personal Statement.

15 **Hon. L F Llamas:** Mr Speaker, further to my Personal Statement last week and for the purposes of recording my change in status in *Hansard*, I shall be sitting as an independent Member of this Parliament as from today and therefore no longer represent the official GSD Opposition. It is without saying that I will endeavour to discharge my responsibilities with the same vigour and respect as when I started.

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

Chief Minister (Hon. F R Picardo): Mr Speaker, I rise as Leader of the House to acknowledge both of those Statements.

25 In relation to the first statement in this House from the Hon. Mr Feetham and the statements outside of this House by Mr Feetham in respect of his relinquishing of the position of Leader of the party opposite and Leader of the Opposition, he and I had an opportunity to speak on the morning when he made the announcement and I have already said publicly that I call for respect for the decision that he made. But on the last occasion that we faced each other across the notional dispatch box, can I just, perhaps, reflect for a moment that he and I started our political discussions as fierce friends and we ended up as fierce foes, but always in a political sense,
30 certainly as far as I was concerned. We have also been partners, politicians and parliamentarians together, so as he leaves his post as Leader of the Opposition I wish him, of course, the very best at a personal level. He is going to remain a Member of this House, so we will continue to have an opportunity to spar, no doubt, at a political level; and I sincerely hope that at a personal level,

35 given that that was what he expressed was the driving motivation for his decision, I wish him all the best, of course.

40 Mr Speaker, I recognise that Mr Llamas is now sitting, although not where the other independent Member sits but as an independent Member also, and I applaud him for having had the courage of his convictions during the course of the debate on the Appropriation Bill and recognise that he is now not a Member of the official Opposition.

**Suspension of Standing Order 7(1)
in order to lay report**

45 **Mr Speaker:** Could I now call upon the Chief Minister to move the suspension of Standing Orders for the purposes of laying on the table a report.

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with the laying of a report on the table.

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

PAPERS TO BE LAID

Clerk: Papers to be laid – the Hon. the Minister for Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I have the honour to lay on the table the Crimes Act (Schedule 4 Amendment) Order 2017.

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

Order of the Day

BILLS

FIRST AND SECOND READING

**Proceeds of Crime (Amendment) Bill 2017 –
First Reading approved**

60 **Clerk:** Bills – First and Second Reading.

We commence with the Proceeds of Crime (Amendment) Bill 2017. A Bill for an Act to amend the Proceeds of Crime Act 2015. The Hon. the Chief Minister.

65 **Chief Minister (Hon. F R Picardo):** Mr Speaker, before this Bill proceeds, Members of the House will know that the publication of the Bill has not enjoyed six weeks – (*Interjection by Mr Speaker*) The Proceeds of Crime Act, Mr Speaker, amendment ... has not enjoyed six weeks of publication before the House is asked to proceed in respect of consideration of it. I have written,

Mr Speaker, to you this morning certifying that this Bill is too urgent to await six weeks of publication before the Parliament considers it.

70 I understand that the Hon. the Minister for Justice has been in touch with Members opposite in respect of this and that we are able to proceed to consider this Bill, not just on the basis of my certification of its urgency but also on the basis that that is broadly agreed. And so, Mr Speaker, I consider that the provisions of the Constitution in respect of the period of publication required before the Parliament can proceed upon the Bill have been satisfied.

75 **Mr Speaker:** Having received the necessary notice from the Chief Minister in respect of the urgency of this Bill, we can now proceed with it.

I now put the question, which is that a Bill for an Act to amend the Proceeds of Crime Act 2015 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

80 **Clerk:** The Proceeds of Crime Amendment Act 2017.

Proceeds of Crime (Amendment) Bill 2017 – Second Reading approved

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I have the honour to move that the Bill for the Proceeds of Crime (Amendment) Act 2017 be read a second time.

85 Mr Speaker, I have received representations from the Office of Criminal Prosecutions and Litigation regarding the need to introduce the amendment contained in this Bill. Without wishing to reveal any information regarding any ongoing matters, I have been satisfied that all the changes are warranted and need to be made expeditiously.

The Bill amends the Proceeds of Crime Act 2015 (POCA) in order to achieve a limited but important number of amendments.

90 New section 1T is an interpretation section. It provides for the interpretation of certain provisions common to Parts II and III. Previously these were found in section 2 of POCA and could have given rise to some confusion as section 2 is a substantive provision. By removing those parts of section 2 which relate to interpretation and placing them in the new section, 1T will introduce clarity and prevent possible confusion.

95 Sections 2, 3 and 4 provide for the main money laundering offences and these have been recast in the Bill. They are, therefore, not new offences and their origins can be traced back to the UK's Criminal Justice Act 1988. That Act was subject to amendment and later was replaced by the Proceeds of Crime Act 2002.

100 The UK's legislative intent in the 2002 Act, as demonstrated by the explanatory notes to that Act, was to simplify the offences, thereby making them easier to present to a jury. Mr Speaker, in the recast form the offences are aligned to the UK criminal law and, as a result, case law from the United Kingdom will be of assistance in this jurisdiction in the future.

For the sake of clarity, the three money laundering offences that are set out in clauses 2 to 4 are: clause 2, entering into an arrangement on behalf of another person to facilitate the acquisition, retention, use or control of criminal property; clause 3, acquiring, using or possessing criminal property; and clause 4, concealing, disguising, converting, transferring and removal from Gibraltar of criminal property. The maximum sentences available for these offences remain unchanged.

110 New section 4A was recently introduced as section 3A, but with the amendments proposed by this Bill it more logically sits after the main money laundering offences. The section is concerned with the consent that the GFIU may give to a person making a disclosure to it. Where such consent is given, a person may do an act that is otherwise prohibited. This may arise in

cases where there is an interest in a transaction being completed so as not to indicate to the criminals concerned that there is an investigation afoot.

115 Sub-clause (5) introduces a moratorium period, which is 60 working days, and that period applies where the GFIU have refused consent to a particular transaction.

Sections 4B to 4E are new provisions that build on the moratorium period that is permitted in section 4A in cases where the GFIU do not consent to a particular course of action and provides for the court to extend the moratorium to a maximum of 336 working days or, in other words,
120 two years.

Section 4B(8) provides for appeals to the Court of Appeal in connection with points of law.

The Bill retains references to working days, with a maximum permitted period following extensions granted by the Supreme Court to effectively two years. The period of two years is also in line with the maximum permitted period for the detention of cash that has been seized
125 pending investigation as to the source of funds by the law enforcement agencies.

Sections 4G and 4H provide protection from liability where certain disclosures have been made in accordance with the requirements of the Act. In particular, 4H provides for protection for a breach of a restriction on the disclosure of information where the information is obtained in the course of a trade, profession, business or employment.

130 Clause 3(4) inserts a new section 6B. The section restates the offence applicable to relevant financial businesses, having been formally set out in sections 2, 3 and 4. The maximum sentence remains unchanged.

Clause 3(6) inserts a new section 35A. The section enables the Magistrates Court to commit a defendant to the Supreme Court where a confiscation order is being sought, and section 35B
135 builds on that section.

Clause 3(9) amends section 58. In paragraph (a), subsection (1)(c) so that the requirement of belief is amended to suspicion. Paragraph (b) introduces section 58(3A), the effect of which is to open the possibility for restraint and charging orders to be sought at the investigation stage, again in line with the UK. The purpose of a restraint order is to prevent the dissipation or
140 possible dissipation of assets. At present the law is that a restraint order can only be sought effectively following a charge or immediately preceding the charge, and this may well be far too late as many fraud investigations by their very nature take some time to complete and the alleged fraudster may well become aware of the investigation. This power in the UK to restrain during the investigative stages has been in existence for many years.

145 Clause 3(10) confers a power on the Supreme Court to enable it to make provision inter alia for reasonable costs of living, legal expenses and to provide for a person to carry on his trade, business, profession or occupation. These exceptions are not exhaustive. In addition, this sub-clause introduces certain safeguards, now subsections (7A) to (7C), including reporting to the Supreme Court on progress and a duty on the court to discharge an order where a reasonable
150 time has passed and proceedings have not been commenced.

Clause 3(11) inserts a new section 59A for the enforcement abroad of restraint orders.

Clause 3(12) introduces certain safeguards where a charging order has been granted in connection with the criminal investigation, as is the case with restraint orders.

The remaining provisions relate to a number of amendments that are for housekeeping and clarification. They seek to improve on the clarity of the Act and the associated procedures, and
155 state in which court should be seized of particular matters. From these, clause 3(25)(b) is worth highlighting, as it amends the definition of criminal conduct to restore the definition as it had been in section 2(9).

160 Finally, I wish to take the opportunity to thank the Hon. Shadow Minister for Justice, Mr Elliott Phillips and also Mr Roy Clinton for making themselves available at very short notice yesterday to discuss the content of the Bill and its urgent nature.

Mr Speaker, I commend the Bill to the House. *(Banging on desks)*

165 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill? The Hon. Elliott Phillips.

Hon. E J Phillips: Mr Speaker, this Bill will enjoy the support of the official Opposition in respect of this matter.

170 I welcome the comments by the Hon. Minister for Justice. Indeed he did reach out to the Opposition yesterday to explain some of the more sensitive matters surrounding this piece of legislation, of course, when our international obligations are certainly important to all Members of this House and the reputation of this jurisdiction.

175 This enjoys the entire Opposition's support insofar as it will progress through Parliament. I am grateful.

Mr Speaker: Any other contribution?

I now put the question, which is that a Bill for an Act to amend the Proceeds of Crime Act 2015 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

180 **Clerk:** The Proceeds of Crime (Amendment) Act 2017.

**Proceeds of Crime (Amendment) Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

185 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today?

Members: Aye.

**Markets, Street Traders and Pedlars Act (Amendment) Bill 2017 –
First Reading approved**

190 **Clerk:** We now move to a Bill for an Act to amend the Markets, Street Traders and Pedlars Act. The Hon. the Minister for the Environment, Energy, Climate Change and Education.

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Markets, Street Traders and Pedlars Act be read a first time.

195 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Markets, Street Traders and Pedlars Act be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

200 **Clerk:** The Markets, Street Traders and Pedlars (Amendment) Act 2017.

**Markets, Street Traders and Pedlars Act (Amendment) Bill 2017 –
Second Reading approved**

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):
Mr Speaker, I have the honour to move that the Bill be now read a second time.

205 In the course of considering amendments to the Markets, Street Traders and Pedlars Rules,
itself a part of a broader project that my colleague the Hon. Albert Isola is overseeing to
modernise Gibraltar's business legislation, it came to our attention that any such amendments
would have to be made by His Excellency the Governor by virtue of his powers under sections
10, 11, 12(2) and 15 of the parent Act. Moreover, beyond his exclusive rule-making power, His
210 Excellency enjoys various powers under section 16 of the Act – for example, to make
designations as to the location of street traders or to impose certain requirements on the type
of equipment they can use.

These matters self-evidently do not fall within the Governor's special responsibilities under
section 47(1) of the Constitution, but are instead the responsibility of Ministers. The Bill is
therefore essentially a tidying-up exercise. It ensures that the Act, which was commenced in
215 1954 and last amended in 1982, conforms to the constitutional distribution of powers as
between the Governor and Ministers and that the Government can then proceed to make such
amendments to the Markets, Street Traders and Pedlars Rules as are necessary.

Mr Speaker, I commend this Bill to the House. (*Banging on desks*)

220 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general
principles and merits of the Bill? The Hon. Roy Clinton.

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

225 From this side of the House, the Official Opposition, obviously we understand the reasoning
for this Bill and it will certainly enjoy our support. I look forward to hearing in due course what
the further wider-ranging amendments are going to be.

Thank you, Mr Speaker.

Mr Speaker: Does any other hon. Member wish to speak? None.

230 I will put the question, which is that a Bill for an Act to amend the Markets, Street Traders
and Pedlars Act be read a second time. Those in favour? (**Members:** Aye.) Those against?
Carried.

Clerk: The Market Street Traders and Pedlars Amendment Act 2017.

**Markets, Street Traders and Pedlars Act (Amendment) Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

235 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):**
Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken
today, if all hon. Members agree.

240 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the
Bill be taken today?

Members: Aye.

**Law Commission Bill 2017 –
First Reading approved**

Clerk: A Bill for an Act to provide for the constitution of a Law Commission for the reform of the law and for connected purposes. The Hon. the Minister for Health, Care and Justice.

245

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I have the honour to move that a Bill for an Act to provide for the constitution of a Law Commission for the reform of the law and for connected purposes be read a first time.

250

Mr Speaker: I now put the question, which is that a Bill for an Act to provide for the constitution of a Law Commission for the reform of the law and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Law Commission Act 2017.

**Law Commission Bill 2017 –
Second Reading approved**

255

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I have the honour to move that the Bill be now read a second time.

In the light of the comments in my Budget speech, I propose to add very little today.

260

The Bill provides for the Constitution of a Law Commission for the purposes of promoting reform of the law. The Commission shall be comprised of no fewer than six members appointed by the Government by notice in the Gazette and shall include the Attorney General, the Minister, no fewer than two commissioners who are barristers or solicitors of at least seven years' post-qualification experience, and no fewer than two commissioners appearing to the Government to be suitable for the role. A quorum of the Commission shall consist of three members. Each member will be appointed for a renewable term of three years.

265

The function of the Commission can be summarised as follows: to receive and consider proposals for the reform of the law made or referred to them by Government; to undertake, pursuant to any such recommendations approved by Government, the examination of any particular branches of the law and the formulation of proposals for reform; to consider and prepare proposals for consolidation or statute law revision in such areas as may be referred to by Government; to provide assistance and information to Government and other authorities on proposals for reform; and to obtain such information as to the legal systems of other countries as appears to the Commission is likely to facilitate the performance of the functions.

270

The Bill also states that the Government and the Commission may agree a protocol regarding the Commission's work. The protocol, among other things, may include matters such as the principles and method which will be applied in deciding the work to be carried out by the Commission and the administrative support which is to be provided to the Commission by the Government.

275

I commend the Bill to the House, Mr Speaker.

280

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? The Hon. Elliott Phillips.

Hon. E J Phillips: Mr Speaker, Her Majesty's Opposition will support the Bill for the creation of a Law Commission.

We understand that it is Her Majesty's Government's intention that the Law Commission will have a very wide remit and will, amongst other things, consider proposals for the reform of the law, undertake examination of areas of the law with a view to formulating proposals for reform, codification and elimination of the anomalies. It is also envisaged that the Law Commission will generally provide advice and information to the Government on reform and amendments of our laws.

We on this side of the House note that the first task of the new Law Commission will be to review our local sentencing guidelines to ensure that they cater for the needs of Gibraltar. I know that the Hon. the Minister for Justice did indicate in his Budget speech that that would be the first task of the Law Commission. I, for one, agree that we should create a body of sentencing guidelines which are Gibraltar-centric and entirely relevant to sentencing and the imposition of penalties by our courts. But a word of caution: in our view there may well be some overlap with sentencing practice of England and Wales. Sentencing practice in England and Wales, of course, is developed over a considerable amount of time and in changing circumstances. As the Minister for Justice is aware, sentencing of offenders is not an easy task. It balances the need to punish offenders, crime reduction, protection of the public, the rehabilitation of offenders and society's need that the offender makes reparation to the community. Sentencing is not therefore an exact science. It balances a number of significant interests with hundreds of years of evolving sentencing law. Whilst I agree that we should review sentencing, I believe that there is a risk that to tinker at the edges of an already well-established body of guidance may unravel a number of issues which will later need to be dealt with by the judiciary. I would urge that we exercise a degree of common sense when it comes to that review.

We on both sides of this House who have practised at the Bar will no doubt recall areas of sentencing practising guidance which have little relevance to Gibraltar practice and it is right that the Law Commission are tasked with recommending those changes.

We also suggest that when the Law Commission is formally constituted that it widely consults with stakeholders at the criminal Bar and the Bar Council generally, who will be able to add value to the work of the Law Commission.

We on this side of the House support and welcome each of the Law Commissioners who the Minister of Justice has indicated he will be appointing and we are sure, as part of a wider remit, this will also add value to this important work.

We in the Opposition also suggest that, insofar as the Commission's first task of reviewing our sentencing guidelines is concerned, that some further thought be given to extending the composition of the Law Commission to the chairperson of the Bar Council – whoever that may be at the time – the Superintendent of Prisons, the Drugs Co-ordinator and respective representatives from the Probation Service; and, as I have stated in this contribution, the possible participation of regular criminal law practitioners, who can also add a level of depth of their experience to this process. It may well be that when it comes to addressing other areas of law reform, the Law Commissioners will also be ably assisted by other members of our community who will have valuable contributions to make.

In summary, Mr Speaker, we support this Bill and also commend it to the House.

Mr Speaker: Does any other hon. Member wish to speak on the Second Reading of this Bill?
I call on the mover to reply.

Hon. N F Costa: Mr Speaker, very briefly to thank the hon. Gentleman for indicating that the Government will enjoy the support of the official Opposition in respect of the creation of the Law Commission.

I take note of what he says in respect of applying common sense to the endeavour that will be undertaken. In that respect I think that, as he rightly says, the Law Commissioners are supremely suitable to undertake this work, and of course the work of the Commission will very

much be underpinned by the evidence and by the advice that will be provided by stakeholders who are actively engaged in this field – such as, for instance, the RGP in terms of criminal sentencing.

340

Mr Speaker: I now put the question, which is that a Bill for an Act to provide for the constitution of a Law Commission for the reform of the law and for connected purposes be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

345

Clerk: The Law Commission Act 2017.

**Law Commission Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today if all hon. Members agree.

350

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today?

Members: Aye.

**Children (Amendment) Bill 2014 –
First Reading approved**

Clerk: A Bill for an Act to amend the Children Act 2009. The Hon. the Minister for Health, Care and Justice.

355

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Children Act 2009 be read a first time.

360

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Children Act 2009 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Children (Amendment) Act 2014.

**Children (Amendment) Bill 2014 –
Second Reading approved**

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Children Act 2009 be read a second time.

365

This Bill inserts a new section 156A into the Children Act 2009 to allow minors over the age of 16 but under 18 years of age to consent to surgical, medical or dental treatment as if they were of full age.

370

There are a couple of typographical errors in the Bill as published which are subject to a letter containing amendments to be taken at the Committee Stage. The amendment replicates the equivalent UK provision which previously existed in local law as section 41 of the Minors Act.

However, this provision was repealed by the Children Act on 14th January 2010 and no equivalent provision was included in the new Act. The reasons for its omission are unknown.

The change is important if children are to be treated with equality and as autonomous beings, especially once they have reached the age of 16. The Government is of the opinion that making this statutory change, together with our adherence to the common law in the area following the UK case of *Gillick*, advocates the rights of every child to self-determination, dignity, respect, non-interference and the right to make informed decisions.

Mr Speaker, I commend the Bill to the House. (*Banging on desks*)

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principle and merits of the Bill? The Hon. Elliott Phillips.

Hon. E J Phillips: Mr Speaker, this is an important amendment to the law, and in fact a consent, as the Hon. Minister knows, in respect of medical treatment, be that dental, surgical or otherwise, is a hugely complex area of the law.

One matter that I would recommend that the Minister look at, at a later stage when we are looking at possibly mental capacity amendments to the law ... is that we remember these provisions and where there is any crossover reference that needs to be made in relation to mental capacity. I do not know. I flag that as an issue now. I also flagged it in previous Bills that were brought before this House last year. But it is an important amendment to the legislation and I welcome the Minister's intervention.

Mr Speaker: Does any other hon. Member wish to speak on this Bill?

Does the mover wish to reply? No.

I now put the question, which is that a Bill for an Act to amend the Children Act 2009 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Children (Amendment) Act 2014.

Children (Amendment) Bill 2014 – Committee Stage and Third Reading to be taken at this sitting

Hon. N F Costa: Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today?

Members: Aye.

Medical (Gibraltar Health Authority) (Amendment) Bill 2017 – First Reading approved

Clerk: A Bill for an Act to amend the Medical (Gibraltar Health Authority) Act 1987 and the Care Agency Act 2009 and to make consequential amendments to the Medical and Health Act 1997, the Mental Health Act 2016 and other subsidiary legislation. The Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Medical (Gibraltar Health Authority) Act 1987 and the Care Agency Act 2009 and to make consequential amendments to the Medical and Health Act 1997, the Mental Health Act 2016 and other subsidiary legislation be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Medical (Gibraltar Health Authority) Act 1987 and the Care Agency Act 2009 and to make consequential amendments to the Medical and Health Act 1997, the Mental Health Act 2016 and other subsidiary legislation be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Medical (Gibraltar Health Authority) (Amendment) Act 2017.

**Medical (Gibraltar Health Authority) (Amendment) Bill 2017 –
Second Reading approved**

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I beg to move that the Bill for the Medical (Gibraltar Health Authority) (Amendment) Act 2017 be read a second time.

The principal aim of the Bill is to make amendments to the Medical Act in order to introduce structural changes to the Authority.

For instance, the position of Chief Executive of the Authority has been replaced with a new position, the Medical Director. The Medical Director shall be the executive officer of the Authority and shall perform such functions and exercise such powers as are from time to time conferred upon him by the principal Act or any other Act. He also takes the position of Chairman of the Management Board.

A new position of Deputy Medical Director has been introduced as well as Human Resources Manager, which replaces the Personnel Officer; and Hospital Operations Manager, which replaces the Hospital Manager. The position of Primary Care Manager has also been removed.

These changes are also effective vis-à-vis the composition of the Management Board. The main function of the Management Board has changed so that now it is their duty to advise and assist the Authority rather than the Chief Executive.

The Bill introduces a regulation-making power which allows the Minister to amend the Act by subsidiary legislation in order to remove, replace or rename any of the posts listed under sections 3(1) of the establishment of the Gibraltar Health Authority; 6(2)(b), duties of the authority, specifically the duty to employ certain positions; or 11(1), Management Board. This is to facilitate future structural changes that may be desired. The regulation-making power also allows for consequential amendments to be made as required in other Acts or subsidiary legislation strictly as a result of any changes made to the principal Act.

The Bill also amends the Care Agency Act by removing duties regarding elderly residential services from the remit of the Care Agency, as the duties now come under the remit of the GHA.

Lastly, the Bill introduces several consequential amendments to primary and secondary legislation to ensure that all newly named positions are referred to correctly in the wider context of the legislative landscape.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Medical (Gibraltar Health Authority) Act 1987 ... Sorry, before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

The Hon. Mr Roy Clinton.

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

I do have some difficulty with this Bill from a structural corporate governance point of view. The role of the chief executive, which the Government are seeking to substitute, is historically very different to that of a medical director. My understanding, as a non-medical man, is that the
460 medical director is usually in charge of the quality of care, the delivery of care and also the ... well, the medical doctoring side of the hospital; the chief executive, certainly in the United Kingdom, has a very different, more holistic role in terms of the overall administration of the hospital.

I fail to see how substituting one title for another actually resolves anything in respect of the
465 GHA. Making the medical director de facto the CEO is just really a change of title, but I do not see how the medical director, as a doctor, is going to necessarily have the skills or the experience to run a hospital in the way that a CEO would have to, and also, of course, be accountable for not just the performance of the medical staff but also in terms of delivery of the service and the overall effectiveness of the service and responsibility to the GHA board, and also
470 in terms of cost and development and expenditure. They are very different strategic roles and you need very different mind-sets overall in order to achieve these objectives, which is why it is usual, certainly in the United Kingdom, that these are two distinct functions and they are not mixed in this way.

I understand the Government's political objective in, as it were, removing the role of CEO,
475 but I do wonder whether overall strategically this will actually deliver the Health Service that Gibraltar needs and deserves.

Also, Mr Speaker, I have attended the various GHA board meetings, as the former Minister will testify and the current Minister will testify, but I did not see anywhere on the agenda any discussion about the restructuring of the Health Service. You would have thought the GHA
480 board, which is the ultimate body responsible for the delivery of healthcare in Gibraltar, would have had at least some discussion about such a major restructuring. Certainly to my knowledge there has been no discussion at the board level as to what it is that the members of that board would think would be expedient. Of course I stand to be corrected by the Minister, because obviously I am not privy to the entire discussions and deliberations of that board, but certainly
485 the public elements of those board meetings and from the agenda that is circulated in advance I am not aware of any extraordinary item saying 'major restructuring of the GHA'. It is the responsibility of the GHA board to deliver our medical services, and so they are the ones who really should have had an input as to this level of restructuring.

And so, in the absence of something that will convince me otherwise from the Minister that
490 de facto combining the role of medical director and CEO in this manner will deliver a better Health Service, I am afraid I really cannot advise my colleagues to support this Bill in this form.

Thank you, Mr Speaker.

Mr Speaker: Before I call on the mover to reply, does any other Member wish to ... The Hon.
495 the Chief Minister.

Chief Minister (Hon. F R Picardo) Mr Speaker, I do not know whether I welcomed him as Leader of the Opposition today or not, but given it is his first intervention since it has been announced that he will be taking the role, at least whilst a leadership election occurs in the
500 context of the other party, I rise to welcome him to that role and to say that, as far as this side of the House is concerned, politics does not have to be a bellicose endeavour and I very much look forward to the opportunity that we might have to work together on aspects that are in the common interests of all of the people of Gibraltar who elect us and who put us here to work in their common interest.

I am disappointed, however, that the first words he utters in this House in the context of the
505 new role are to lead that Opposition into a 'no' vote – something which he appears also to have

convinced them to do in relation to the Appropriation Bill, which did not go perhaps as well as they might have wanted.

Dealing with the substance of what he said are the reasons for voting against the measure, can I just ask him to reflect on this. The Gibraltar Health Authority was created before the GSLP was elected in 1988 – I think in 1987. (Hon. N F Costa: 1987.) That's right, and in 1987 the Health Authority did not have a CEO. (Hon. N F Costa: That's right.) Before 1987 there was a Department of Health – which did not have a CEO; it would have had an SO who then became the new incarnation of management in the GHA absent a CEO. The CEO was introduced by the former administration under Sir Peter as Chief Minister, and the first CEO was a doctor – Dr McCutcheon, to remind us all of who it was. So I think that, to an extent, kills the point that a CEO is not a doctor, because the first CEO was a doctor. So I do not think that the medical profession is excluded from the role of chief executive.

Was it a good idea that there should be a chief executive at the head of the GHA? He is, above all else, I detect from the contributions he makes in this House, a money man. What did the CEO's advent in the GHA do? It led to a steady increase in the costs of the GHA, they say today not matched by the service given to patients – unless they are saying that the service given to patients was magnificent on 8th December 2011 and dreadful on 10th December 2011, where the only thing that changed was the chief executive of Her Majesty's Government of Gibraltar, not the Chief Executive of the Gibraltar Health Authority.

We have analysed whether or not the advent of a chief executive into the GHA led to better value for money, whether it led to better healthcare or whether it led to reduced cost, and it did none of that. So the decision has been taken that it is possible to have a medical director atop the hierarchy of health in Gibraltar, who has responsibility for medical matters and some matters in administration, without having to have a separate strand of administration which is simply the chief executive, who has become a cost centre, because it is a new liability in salary, a very large one indeed – he will recall that we had the debate about how the salaries of the Principal Auditor and the Chief Secretary had risen, and it was in relation to that – and second, a cost centre because, under the auspices of a chief executive, the increases in cost in the Health Authority were not driven by the increase in salary. So you could not say, 'Well, of course it's costing more because we have the same number of staff and they are getting pay rises'; it was an exponential growth in cost, which we do not think necessarily equated to an exponential growth in value for money for the taxpayer or better service.

So, in the circumstances, Mr Speaker, I think it is right that we have taken the decision that the hon. the mover has put to the House as eloquently as he has. In particular, just dealing again with the point of whether a doctor can be a CEO of an organisation, the second CEO – which they did not complain about – was a nurse. So I do not think any of the points that he has made raise any issue for the Government in continuing to be persuaded that the course set out by the Hon. the Minister for Health is the right course for this community. It is the right course for healthcare in this community. It pursues an agenda of value for money in respect of the healthcare that we provide for the community and it pursues an agenda of ensuring that a medical director is in charge of decision-making alongside those politically responsible for decision-making.

So, in the circumstances, Mr Speaker, I am disappointed that his first act as Leader of the Opposition will be to take us where the last act of the former Leader of the Opposition took them, which was to negative votes on things which are very good for our community. One was to pay for the schools, the hospitals and the civil servants, and the other one now is to reform how we ensure that those atop the structure of Health provide the best possible value healthcare for our community. Nonetheless, I still welcome his appointment and look forward to working with him on other matters.

Mr Speaker: Does any other hon. Member wish to speak on the Second Reading of the Bill? Does the mover wish to reply? The Hon. Neil Costa.

Hon. N F Costa: Mr Speaker, I am also disappointed that the hon. Gentleman will not be voting in support of the Bill, and I will tell him why.

He has said that the reason why he finds difficulty in supporting the Bill is because the roles of the chief executive and of the medical director are quite different, to his mind, and that strategically it makes sense to have a chief executive separate from a medical director. But will he not agree with me that if under the present structure where we have had a chief executive since 1997 there has been an overspend of £89 million over 20 years in the GHA, the CEO is in fact self-evidence of catastrophe? (**Hon. Chief Minister:** An indictment.) It is an indictment of their structure. (*Interjection*) But it is absolutely – (*Interjection*) Yes, but not so soon, Mr Speaker.

Hon. Chief Minister: We all know it's a relaunch, not a resignation.

Hon. N F Costa: Therefore, there is an inverse relationship to success in having a CEO at the top of the GHA, proven by the fact that there has been an overspend of £89 million over 20 years under a CEO.

Mr Speaker, the hon. Gentleman says that the Medical Director will *de facto* become the CEO. The Medical Director will *de jure* as from today become the Chief Executive, or the CEO, because the Medical Director will be subsuming the powers of the CEO.

He refers us to the UK NHS as an example as to why we in Gibraltar should also have a CEO – again, in my estimation, precisely the wrong example. He has read, surely, in the newspapers in the UK the black alerts in many trusts about doctors kicking their heels because, as a result of bed shortages, operations are being cancelled. Cancer operations are being cancelled. Old people are being kept waiting on trolleys for hours on end. The NHS in the UK – unfortunately, Mr Speaker, because it is not something to be gleeful about – is in a state of wreckful disrepair. It is in a very, very bad way. So, if I am going to take an example of a healthcare system, it will unfortunately – and it does pain me to say this – will not be from the NHS, from where we do get guidelines in terms of NICE guidelines and so on. Because, in fact, they are running a huge deficit and also because of the experience of nurses who have not received a pay rise in six years in the UK, which has led to allegations of nurses having to go to food banks to be able to receive food, and all of the instances where there has been a shocking lack of care, medical, surgical and otherwise, in the NHS, the hon. Gentleman really should not be pointing me to the NHS as a model – (*Interjection*) yes, he did – from which to emulate in order to be able to justify the Opposition's decision not to vote for the Bill.

Mr Speaker, clearly the reason for not voting is political and not based on reason, because if it is based on reason, and given that I have just told him that the model to which he refers me to, is run by chief executives, and he knows, because it has been printed in UK press, that it is falling to bits, then surely he has to admit that the CEO is not necessarily the best thing since sliced bread because the NHS is not providing the healthcare that the UK citizens surely deserve.

Mr Speaker, we would not be introducing these changes by way of legislation if we did not think that they were appropriate. Does it not make sense to him intuitively that there should be a senior consultant leading a healthcare service? Doesn't it make sense to him, in the same way that you have a Director of Education who is – (**A Member:** Not necessarily.) Well, Mr Speaker, they say not necessarily ... All right, let me take them through it. It may not necessarily make sense to always have a professional at the top of every single Government Department. You do not necessarily need a person with a tourism masters to run the Gibraltar Tourist Board – a business masters may do, an MBA – but surely for medical services you would expect that a person who has been on the patient side of care, who understands the needs of patients, should be the best person possible to be able to direct from the top how to run a health service. And they keep nodding their heads, so then perhaps maybe we should have a Chief Justice in the courts who is an engineer rather than a lawyer (*Laughter*) and we should have perhaps some kind of professional actor running the GHA if it is not necessary to have (*Interjection*) a senior –

610 *(Interjection)* Mr Speaker, it is not without importance that before the GHA there was a medical department and every single ... Can you believe this, Chief Minister: every single top person – *(Interjection)* Mr Speaker, sorry. Every single person at the top of the medical department was a senior surgeon, and of course it was a senior surgeon because it makes eminent sense that the person running the Health Service should be a senior practitioner.

615 Mr Speaker, simply to conclude, the hon. Gentleman who does attend the boards, I readily admit. He did, however, miss the fact that I did say in conclusion that we would not be discussing the changes that are taking place in the Bill because the period covered up to March of this year, and that we will be covering the changes that have been brought about by the Bill because we will be covering the relevant period in the next board meeting.

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

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Medical (Gibraltar Health Authority) Act 1987 and the Care Agency Act 2009 and to make consequential amendments to the Medical and Health Act 1997, the Mental Health Act 2016 and other subsidiary legislation be read a second time.

Those in favour? **(Several Members: Aye.)** That is Government Ministers and ... Anybody else from the Opposition benches voting in favour? No. Those against? **(Several Members: Aye.)** That is the official Opposition. And the two independent Members – how are they voting? The Hon. Marlene Hassan Nahon? **(Hon. Ms M D Hassan Nahon: In favour. In favour.)** In favour. Sorry, I
630 did not get that initially. So the Government and the Hon. Marlene Hassan Nahon voting in favour. The official Opposition against. **(Hon. L F Llamas: In favour.)** The Hon. Lawrence Llamas also in favour. Therefore the Second Reading is carried.

Hon. Chief Minister: By a substantial *(Inaudible)*

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Clerk: The Medical (Gibraltar Health Authority) (Amendment) Act 2017.

Medical (Gibraltar Health Authority) (Amendment) Bill 2017 – Committee Stage and Third Reading to be taken at this sitting

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

640 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of this Bill be taken today?

Several Members: Aye.

Disability Bill 2017 – First Reading approved

645 **Clerk:** A Bill for an Act to make provision for persons with disabilities modelled on the United Nations Convention on the Rights of Persons with Disabilities and the Optional Protocol to the United Nations Convention on the Rights of Persons with Disabilities; and for matters connected thereto. The Hon. the Minister for Housing and Equality.

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, I have the honour to move that a Bill for an Act to make provision for persons with disabilities modelled on the United Nations Convention on the Rights of Persons with Disabilities and the Optional Protocol to the United Nations Convention on the Rights of Persons with Disabilities, and for matters connected thereto, be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to make provision for persons with disabilities modelled on the United Nations Convention on the Rights of Persons with Disabilities and the Optional Protocol to the United Nations Convention on the Rights of Persons with Disabilities, and for matters connected thereto, be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Disability Act 2017.

**Disability Act 2017 –
Second Reading approved**

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, I have the honour to move that the Bill be now read a second time. In fact, I beg to move that this Bill, the Disability Act 2017, also known as Agnes's Law, be read a second time.

Mr Speaker, our Government is one that truly represents equality and diversity, and our track record shows that we recognise the duty of society to treat people of all backgrounds with dignity and respect. There are times when we need to legislate to ensure that there are sufficient protections in place. As a Government, we have an established track record of protecting rights, and this Bill is another milestone in respect of equality. It takes determination and courage of conviction to take action and make real change when it comes to achieving equality in our society, and I am honoured to be Gibraltar's first Minister for Equality.

This Bill implements one of our manifesto commitments. The purpose of this Bill is to legislate to further protect people with disabilities using the terms of the UN Convention on the Rights of People with Disabilities as a model. Indeed, the Chamber of Commerce, in its February edition of *Chamber News*, referred to this Bill as possibly one of the most significant pieces of legislation introduced by the GSLP Liberal Government. This, Mr Speaker, speaks volumes.

This Bill is particularly important for me, as it transcends my time as a Minister and has been quite a personal journey for a long time. While in private practice as a barrister, I first met with the Disability Society in January 2006 and offered to help them in their mission to achieve legislation for disability rights in Gibraltar, given the vacuum that existed. I have a very vivid recollection of that meeting over 10 years ago, where I was presented with a draft piece of legislation that had been prepared by the late Mrs Agnes Valarino. Mrs Valarino had previously been the Chairperson of the Disability Society, and at that meeting, when the Committee presented me with a draft, they referred to it as Agnes's Law because they wanted a fitting tribute to a lady who had worked so hard to progress the rights of people with disabilities in Gibraltar. In 2006 I promised to help. Little did I know then how literally this would happen. A true pioneer and champion of the rights of people with disabilities, I felt it only right and fitting that Mrs Valarino's wish to legislate be honoured by referring to the proposed Disability Act in her memory.

Members of this House will be aware that a Command Paper was presented and published in October 2015. Responses to that Command Paper were received and the views of the public were taken on board. My Ministry and I have met with everyone who responded to the consultation process, and charities and representative groups. I have also had the opportunity to discuss this with the hon. Member opposite, Mr Llamas, who held this portfolio. I am grateful to

695 everyone involved in the consultation process, which was very favourable and helped to clarify certain points. This is why we introduced the consultation process when we came to office in 2011.

Historically, disability legislation has been an area of law which has been overlooked. The existing Equal Opportunities Act 2006 is specific to employment-related matters alone. The Disabled People Act 1992 is outdated and fails to meet the demands of a modern and inclusive society such as the one that this Government is building. For this reason, we have decided to repeal the Disabled People Act 1992 and instead publish this new modern piece of legislation which aims to create an equal playing field in all aspects of society for people with disabilities.

I can say with confidence that since we have come into Government equality and inclusion have gained more importance. This I daresay is because of what we have invested in changing our policies and all the work that we have done on delivering training and creating awareness of disability equality principles. It is clear that on this subject we have been leading from the front.

On to the Bill itself, it introduces a standalone piece of legislation for people with disabilities, setting out several principles and obligations that should be considered by any person taking policy decisions or actions, the ultimate purpose being to promote, protect and ensure the full and equal enjoyment of all fundamental rights and freedoms by people with disabilities, and to promote respect for their inherent dignity.

The Bill is modelled on the UN Convention in a way that is relevant to our community. The Bill is not intended to create new rights; these already exist in our law. The fundamental right not to be unfairly discriminated against is already enshrined in our Constitution. This Bill clarifies existing obligations and legal duties and provides a framework to give practical effect to the Convention's aim, which is to provide equal enjoyment by all people with disabilities. This Bill is a significant step forward and will make important changes to the lives of people with disabilities and their families.

Mr Speaker, turning to the Bill itself, I do not propose to go through each individual section, as these are quite self-explanatory; but I will only refer to some of the more pertinent ones.

Sections 4 to 7 introduce the definitions and the general principles and obligations of the Act, and in relation to section 6 we will be producing guidance notes to promote understanding of obligations and facilitate the introduction of these.

Section 12 sets out a power to introduce policies, strategies and initiatives on awareness raising. While not yet a legal obligation for us, we have nevertheless been leading on this for the last five years. We have invested heavily in training and awareness. We have not only made this widely available to the public sector but also through our hugely successful Equality Means Business seminars for the private sector, which have also been embraced by the Chamber and the GFSB, and finally our Understanding Autism seminars for parents of people on the autism spectrum. The uptake and interest in all of these have been wonderful, and by delivering this intense programme of training we have been setting the groundwork for the implementation of this legislation.

Sections 13 and 14 relate to accessibility and implement a requirement for people undertaking the provision of public buildings or premises to consider and cater for the access and use of facilities by people with disabilities. Again, a lot of work has been done in preparation for this and it is, of course, a continuous process. This, in fact, will be the first section that will have practical implementation almost immediately, as we will introduce the part R regulations of the building rules, which will mean that all new buildings, alterations or change of use of existing buildings must take account of people with disabilities. This will give legal effect to what already exists as a Government policy for the last five years and has been applied to all our Government projects. Again, another example of the Government leading from the front.

Section 23 deals with the collection of useful data and statistics to enable the formulation and implementation of successful policies to cater for people with disabilities. This is something which has always been lacking in Gibraltar and will assist us in making even further improvements in the future for people with disabilities in all aspects of their daily lives. At this

point I would like to thank not only my Ministry and the Government Departments who have been working on compiling the disability register, but also the Data Protection Commissioner and his staff at the GRA for their guidance to ensure that we do not fall foul of the data protection legislation in so doing.

Mr Speaker, stigma, prejudice and discrimination against people with disabilities is unfortunately still prevalent. Although we still have a long way to go in changing cultural norms, perceptions and attitudes, this law aims to make those rights real by building on and giving effect to the right not to be unfairly discriminated against on the grounds of disability and put the rights of people with disabilities on an equal footing to everyone else.

Mr Speaker, if you may indulge me to make the point that a new law is not enough and my work does not stop here ... In order for the rights and the framework to become meaningful, I consider that continuous education and awareness is essential to ensure that the community can properly understand and become more responsible in ensuring that people with disabilities are no longer treated less favourably. We will therefore continue our work at every level in the public sector, particularly in the training of professional staff who work with people with disabilities, those in management and those who work on the front line, the private sector, and of course support parents and families. We need everybody to embrace the principle that, while we provide a statutory framework, we each have an individual and collective responsibility to go beyond this and make Gibraltar more inclusive of people with disabilities. This is about embracing the principles and is about changing hearts and minds.

I would like to acknowledge the work that has been done by the strong and extremely motivated team at the Ministry for Equality on this legislation and, importantly, on the implementation of these principles, and in particular, to Mr Tito Garro, from the Government Law Office, who was responsible for drafting the legislation, and for his advice throughout; and, of course, special mention to the Disability Society, who last year celebrated their 50th anniversary and whose advice and guidance has been very welcome. The Disability Society inspired me when I met them in 2006 and they and the values that they represent continue to inspire me today. Equally, of course, I must refer to all the individuals and other representative organisations who have worked with us and who also represent these goals and values, including the Chamber of Commerce, the GFSB and the new Unite Equalities Committee as well. I will continue to work with all the stakeholders who share these ideals in the implementation of the legislation and the development of Government policy.

Finally, Mr Speaker, I again refer to a very special person in respect of whom this legislation is in honour, the late Mrs Agnes Valarino. I said at the beginning of my intervention that in December last year, when I published this Bill, I announced that it would be referred to as Agnes's Law as a tribute to her and her dedication to championing the rights of people with disabilities. I did not know Agnes personally, but I have always heard great things about her. I have had the pleasure of working with her husband Mr Maurice Valarino in my current role, her son Bernard in my previous role, and also have the pleasure of knowing her other son, Matthew, who among other attributes is a wonderful artist, and a beautiful abstract painting of his hangs in my office.

Together with my ministerial colleagues and the rest of the community, we will work together to break down barriers, promote equality and achieve a more inclusive society. Mr Speaker, I am honoured to commend this Bill to the House. *(Banging on desks)*

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? The Hon. Lawrence Llamas.

Hon. L F Llamas: Mr Speaker, I would like to contribute to this debate. The Bill presented before us adopts more principles of the UN Convention 2006 than the Command Paper issued in October 2015. I must say that it will reinforce some of the basic human rights enjoyed across

society as being rights equally to be enjoyed by anyone with a disability. I therefore extend my support to the Government for bringing this Bill to the House.

800 The name given to the piece of legislation, Agnes's Law, is extremely appropriate given the lobbying led by the late Mrs Agnes Valarino, carried out in her life. I did not have the privilege of knowing the late Mrs Agnes Valarino; however, her legacy and those of all involved in bringing this legislation to this House will be known for generations to come.

805 When the Bill was published back in December last year, I wrote to the Minister for Equality with my concerns and those of constituents who had expressed and identified areas where further clarity and detail was required. In my email I included what I felt would consolidate and fulfil the principles of the UN Convention. Last month, in reply to my email, the Minister and I had a discussion covering these areas, where her arguments and those of Her Majesty's legal experts were conveyed, and therefore I have taken those on board in good faith but will reserve
810 the right to return to these in the future, depending on the implementation of the Act. The practical effect of the Act as it stands today extends sufficiently enough to give life to the relevant aspects of the UN Convention.

The UN Convention on the Rights of Persons with Disabilities is an international human rights treaty which has been developed extensively and in great detail. Its principles and objectives are
815 the cornerstone to extend equal rights to persons with disabilities. The Convention has served as a catalyst in shifting the perception of people with disabilities with its charity-based approach to treatment and services to a human rights based approach in which people with impairments are no longer considered medical problems, totally dependent on the generosity of non-impaired people in society, but has fundamental rights to support inclusion and participation in all areas
820 of the community. This is a fundamental basis that I will seek to ensure is taking effect in Gibraltar.

The Government have embarked on a series of awareness-raising campaigns, through seminars and booklets, which appear to be good initiatives as education is key. These campaigns have focused on the public sector, the private sector and parents.

825 My first area of concern is the omission of the amendment to section 38 of the Equal Opportunities Act 2006 to include persons with disabilities within the demographic of society against whom one cannot discriminate against. I am assured by the Government's legal experts, through the Minister, that there is no need, given our Constitution, and I shall not be proposing an amendment on this understanding, even though personally I do not see any harm in simply
830 including it.

Secondly, the UN Convention model includes an independent committee which monitors and reports the implementation and compliance of the Treaty. This differs in the proposed Bill with the responsibility being assumed by the Minister for Equality. It would seem appropriate to follow suit from the UN Convention and designate this responsibility to a committee composed
835 of independent and experienced individuals who hold no conflicts of interest, and with stakeholders. I feel that is particularly necessary in light of the introduction of the term 'as far as reasonably possible', which has been included a total of 17 times in this Bill. It would therefore make complete sense to have a non-partisan, fully independent committee to evaluate and assess all the areas of ambiguity and oversee the implementation of this legislation with
840 absolute autonomy. The Minister has assured me that she is happy to keep an open mind to the creation of an independent committee in the future if needs arise. I shall therefore keep this issue very much alive and shall apply pressure if I feel that the requirement of such a committee is required.

The Bill adequately deals with accessibility issues and successfully promotes the rights of
845 those with physical disabilities. However, it is my view that it does not go far enough to legislate in a clear manner what the rights and protections for persons with disabilities are. I had intended to move amendments in three key areas which I feel are missing. However, the Minister has assured me that the issues which I shall be raising are already satisfied in domestic legislation for a considerable time and therefore would mean duplicating legislation, which

850 would be against the advice given by law draftsmen. She has assured me that she will be publishing directive guidelines under the Disability Act provisions. Naturally, I respect her approach and will await a timely publication of guidelines, which I have been assured will commence as from September.

855 The areas which I am concerned about regard clause 19, which covers health. As it currently stands, all this Bill says is that persons with disabilities are entitled to healthcare and are not to be discriminated against. It fails to deliver and legislate as to how the health sector should function, work and interact with persons with disabilities. In future guidelines, I expect the guidelines to set out that the health sector will, as per the UN Convention, which is extensive and detailed in nature, to ensure systems and rights are protected.

860 The Bill does not mention anything to do with work and employment or equality before the law. It is important to transpose all Gibraltar-relevant articles of the UN Convention into domestic law and not cherry-pick parts of the UN Convention or even parts of the articles themselves. If the article is relevant to Gibraltar it should not be omitted. Thus we should ratify them and publish them pending effect so that the community can read and understand where we are aiming and what targets we expect in the near future. I am assured once again that these issues already exist in our legislation. I would therefore expect to see on paper and in practice the commitment and detailed clarification as to what our law should be achieving, as it should be easy to read for all concerned.

870 With regard to work and employment, I will expect the Government to recognise in its guidelines the rights of persons with disabilities to work on an equal basis with others. This includes the right to the opportunity to gain a living by work freely chosen and accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities and extend the full details of the Convention.

875 With providing guidelines to provide equal recognition before the law, the Government must reaffirm that persons with disabilities have the right to recognition everywhere as persons before the law. The Government must recognise that persons with disabilities enjoy legal capacity on an equal basis with others on all aspects of life.

880 The Government must take appropriate measures to provide access by persons with disabilities to the support they may require in exercising their legal capacity. This is to include an independent advocacy service. The Government must ensure that all measures that relate to the exercise of legal capacity provide for appropriate and effective safeguards to prevent abuse, in accordance with international human rights law. Such safeguards shall ensure that measures relating to the exercising of legal capacity respect the rights, will and preferences of the person, free of conflict of interest and undue influence, proportional and tailored to the person's circumstances, subject to a regular review by a competent, independent and impartial authority or judicial body. The safeguards shall be proportional to the degree to which such measures affect the person's rights and interests. I feel that this will give persons with disabilities a well spelt out, easy to follow detailed overview of what their rights and protections within our jurisdiction are. It will empower them with the armour and artillery to ensure they are truly equal to freedom of choice and equal in voice.

Mr Speaker: Any other hon. Member wish to reply? The Hon. Marlene Hassan Nahon.

895 **Hon. Ms M D Hassan Nahon:** Mr Speaker, this Parliament has a proud record of standing up for groups who may have previously felt underrepresented in terms of their civil rights, from single-sex couples to mental health patients. Both sides of this House should feel proud that we have helped advance the status quo of minority groups in Gibraltar.

900 While I may have argued on a number of occasions that many of these measures perhaps do not go far enough in terms of fully eliminating the inequalities of our society, it is encouraging to see that progressive voices have an ear in this Chamber. I have no doubt that these groups now feel that they are a part of a more inclusive Gibraltar, and that is a testament to how we as a

House have recognised these inequalities and embraced proposed solutions. This Disability Bill takes this notion a step further. It recognises the difficulties that some of the most vulnerable members of our community face and examines how to resolve them. It also acknowledges the equal contribution that many of these individuals can make to society and gives them an opportunity to realise their full potential. It makes those affected aware of their rights and entitlements whilst clarifying the procedures to enable them to access those rights. This acts as a significant development for those the Bill represents, for it is only by recognising these difficulties, this potential and these rights that we can start to do justice to those who may have felt let down by society. I hope that these individuals will now see that we have listened to their concerns and identified with their plight.

As far as I feel this Bill might go, though, I cannot, nonetheless, question a few of its aspects in the hope of obtaining some clarifications and reassurances from Government. I note, for example, that the Bill makes no reference to advocacy, a crucial need for families of disabled persons.

I would also like to express concern at the implications of some of the wording of the Bill. I refer, for example, to the repeated use of the phrase 'as far as reasonably possible' in the descriptions of the responsibilities of the relevant Minister and the individuals with statutory duties as indicated in the Bill. 'Reasonably' is an elastic term that is subject to interpretation, and I would like to ask what criteria the Minister will be using for ascertaining the parameters of this word insofar as the obligations detailed in the legislation are concerned. Will the onus of challenging any interpretation of such a term be placed on vulnerable members of our community, or will this provide relevant parties with opportunities to renege on their responsibilities by protecting themselves behind flexible wording? What safeguards are in place to prevent the abuse of this elasticity, and who will take responsibility for this? It is my view that legislation can only be as effective as the obligations it imposes, and any possibilities for these to be sidestepped through ambiguous interpretations should be kept to a minimum. The fact that this Disability Bill uses this phrase 17 times casts some reservations on its efficacy and I am sure the House and the community as a whole would appreciate some clarification on this matter.

These are the valid concerns of interested and affected parties, not just mine; and while we all naturally, both sides of the House, welcome this Bill and the recognition of the rights of the disabled, reasonable questions have nonetheless been raised that I feel deserve to be answered at this stage. It is my full intention to vote in favour of this Bill, as I feel that it represents an important step in Gibraltar's maturity into a progressive and inclusive society, but I would like to yield to the Minister in the hope that she will provide some answers and reassurances to the issues that have been raised and implement them in a timely manner.

Mr Speaker, I take this opportunity to pay tribute to the late Mrs Agnes Valarino, because it is thanks to benevolent and strong souls like Agnes that societies like ours here today take note of these much-needed steps towards enhancing social justice.

Thank you.

Mr Speaker: The Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, today we are debating a significant piece of legislation which is indeed a landmark, no matter how you look at it. My only regret – and I think perhaps this House owes a collective apology to those in Gibraltar who are affected by this legislation – is that it was not passed sooner, and I think for that both sides of the House must take equal responsibility. **(Two Members:** Hear, hear.)

I am aware of the level and degree of consultation that has been undertaken by the Minister in bringing this legislation to the House and certainly this side of the House, the Official Opposition, will of course welcome it and support it. Having said that, the contributions of both the independent Members have corroborated the observations I made in going through the draft legislation, in that it is peppered indeed with, as the independent Members have pointed

out, 17 references to language that says 'as far as reasonably possible'. The question has to be, of course – and of course the Minister will no doubt enlighten us in her response, is – who makes that determination: is there an independent body or commission which will determine what is reasonably possible? Also, there is a degree of discretion by the Minister on a unilateral basis without, it would appear to be, advice from independent bodies or commissions or committees, which perhaps would be preferable.

Mr Speaker, the GSLP undertook in 2011 to legislate this within the first year, but as I have said already, both sides of the House have to take equal responsibility for the delay. In the manifesto it said it would be using the terms of the UN Convention as a model and further on introduce legislation in Parliament to give effect to the terms of the UN Convention on the Rights of Disabled Persons and the protocol in Gibraltar.

Mr Speaker, at the risk of repeating what has already been said, what has been brought to my attention and the main concern is that yes, this is perhaps a very good first step towards addressing the needs of the disabled, but what we have here is a degree of cherry-picking, unfortunately, of the UN Convention. And certainly, as has already been mentioned, there is no mention in here as to the rights of advocacy for the disabled, which my understanding is it is critically important, especially for those who may not be able to have the capacity to make decisions for themselves. Also, Mr Speaker, there is no mention in here of independent monitoring of implementation and there is a large degree of ministerial discretion.

Those are the concerns on an overall basis as to some areas of the Act that may need clarification for us this side of the House to at least understand what the Government's thinking has been in introducing certain wording into the legislation.

Mr Speaker, I have to also pay tribute to Agnes Valarino, who unfortunately I never met or knew, but I know the Disability Society are present in the Chamber and I thank them and all the people who have been a force in ensuring that this legislation is before us here today. I am proud, of course, to be able to support the legislation, albeit with those reservations which we have raised and indeed the independent Members have raised. And I congratulate the Disability Society for achieving this legislation today.

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

Mr Speaker: Is there any other contributor to the Second Reading? The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, it is a pleasure to rise in the context of this debate and that the Bill is finally on the floor of the House enjoying its Second Reading. It is a Bill that has been, as Members have reflected, foreshadowed for some time; it is a Bill that has taken a lot of work. Would we have wished to pass it earlier? Of course we would have wished to pass it earlier, Mr Speaker, as we might have wished to do many things earlier in this Parliament, but we just have to get on and do the things that we have to do as soon as we can.

So I am surprised that on a Bill of this nature the hon. Member has decided that he wants to talk about blame, because of course the world did not start on the occasion of the first GSD Government being elected or indeed on the occasion of his arrival in this House. But if he wants to talk about blame – which I do not think is what we should be talking about in respect of a Bill as important and ground-breaking as this – then at least if the world had started in May 1996 I trust he would accept that they have to share $\frac{16}{21}$ of the blame for this Bill not having been brought earlier, with us sharing only $\frac{5}{21}$ of the blame for this Bill not being brought earlier, given that they had, 21 years ago, the opportunity to bring a Bill of this sort.

He says this is a first step. Well, Mr Speaker, it is the only step that has been taken in the direction of travel today by this House and it is a step which I think we should all be welcoming. This is a pioneering piece of legislation which this Government is bringing to the House, and I have not heard them congratulate the Government for doing so.

1005 Mr Speaker, the hon. Members opposite who have spoken about more of the substance of the legislation than the Hon. the Acting Leader of the Opposition, have raised points about the phraseology – and both of them are the independent Members, ironically – ‘as far as reasonably possible’. This is not unusual language in legislation, but we need to understand what it is that that provision provides for perhaps by looking at what the opposite would be.

1010 So, if something is not reasonably possible, is that what hon. Members think the House should be embarked on dealing with? In other words, should we commit the community to things which are not reasonably possible?

For the first time, Mr Speaker, I am going to be dealing with a Leader of the Opposition who is not a lawyer and two independent Members who are not lawyers, so I will forgive them for not having at their fingertips the concept of reasonableness. The concept of reasonableness in English law is the most established concept of English law. It is not, if I could put it this way, like the concept of ‘soon’ or ‘shortly’. It is a concept which is much more subject to objective control than the concept of ‘soon’ or ‘shortly’, which we have had occasion to debate amicably across the floor of the House in the past.

1020 If I marry that with the concern the Member opposite has raised about whether there is an independent monitoring system, well, of course there is, because we live in a society which has three branches of Government and one of them is the judiciary, and when we create a law we subject performance under that law to the third branch of Government, which is the judiciary. So there is an independent monitoring system, as there is for constitutional rights – it is the courts. The courts determine what is or is not reasonable and therefore we are imputing a control to all of the responsibilities and obligations which are taken by the Government for itself and for other citizens by the creation of this law.

Mr Speaker, quite unlike all of the Members who have spoken in this debate so far, I have the honour to say that I did know Agnes Valarino. She was very active already when the Hon. the Deputy Chief Minister and I were taking our nascent steps in politics and was a great advocate for those with disabilities even at that time, and so when the hon. Lady approached me to say that she thought it appropriate to nickname this law the Agnes Valarino Law, I thought it was absolutely right that she should do that because we knew from our own experience that Agnes had been a great advocate for those with disabilities.

1035 Mr Speaker, if I may say so, this is another pioneering step for this House, as the hon. Lady has said, but is another pioneering step for this Government, for this administration, not over the past year and a half but over the past five and a half years, and in each of the steps that we have taken in respect of civil liberties it is abundantly clear that the charge has been led by Samantha Sacramento, whose record, if judged objectively, can only be seen to be an extraordinary and exemplary one. She has been the most committed advocate for the advancement of civil rights of all the Members of this Parliament in the past five and a half years – and if anybody cares to work out what those letters stand for, they might work out they stand for AACR. So the GSLP Minister in the GSLP Liberal Government has done a magnificent job in that respect. *(Interjection)* He can speak. *Tiene el derecho de hablar ahora.*

1045 I therefore, Mr Speaker, commend the Bill to the House. I commend the work of the Hon. Minister in this respect and I commend the work of those advocates outside this House who have fought so hard for this Parliament to legislate in this way.

Mr Speaker: Does any other hon. Member wish to contribute before I ask the mover to reply? The Hon. Daniel Feetham.

Hon. D A Feetham: Mr Speaker, in relation to some of the points that the Chief Minister has made ... because I think they are important, but it is important that we examine some of what he has said because it is all very well and good to actually say ... and I would appreciate if the Hon. the Minister for Equality were to perhaps address this ... It is all very well for the Hon. the Chief Minister to say the courts know what reasonableness is and they determine what reasonable

actions are every day of the week in court cases, but the reality is that, in the first instance, what you cannot do here is basically say that the duty of what is reasonable or what is unreasonable is the courts', because that assumes that effectively everybody is going to have access to the courts, that people who are aggrieved at any decision that is made by a Government Minister in relation to what is reasonable or unreasonable are just simply just going to go off to court and challenge the decisions. That is not real life for you. At the end of the day you are talking about some of the most vulnerable members of society. For us as a Parliament to basically say to those people, 'If you have got a grievance about what is reasonable or unreasonable you go to the courts and you ask for a judge to determine that', that cannot be right, Mr Speaker, and it cannot be within the spirit of what is a major piece of legislation for the benefit of disabled people.

Therefore it must follow that it is for the Government to provide some kind of guidance, either, as the hon. Gentleman to my right or the hon. Lady to my left have said, some kind of committee, some kind of objectively justifiable body that will come to objectively justifiable reasons as to why something is not reasonably practicable ... Otherwise, what we have is a situation where the Minister just simply says, 'This is not achievable, this is not reasonable: if you don't like it, you go to court.' Quite frankly, I think it is important that some comfort comes from the Government in relation to this aspect of the Bill, so that those out there are satisfied that effectively there is at least an overlay on top of Government decisions in terms of somebody determining what is reasonable, who is not the Minister himself, without those people having to go to court. That is the only contribution that I wish to make.

Mr Speaker: The Hon. Samantha Sacramento.

Hon. Miss S J Sacramento: Mr Speaker, in reply to the interventions, I think I will start with the last one first. The hon. Gentleman did round off by saying that he would hope that it would be without reference to the Minister himself. Well, at least for the time being it will be to the Minister *herself*, but I am sure that ... Mr Speaker, he knows what I mean.

In relation to what the Hon. Mr Feetham has said on recourse to the courts, I am sure that he must understand that the reference that the Chief Minister made when he referred to the courts was obviously not that people are expected to refer to the courts in cases of ambiguity as to the definition of reasonableness. What the Chief Minister meant – and I think most lawyers here understood what he meant – was that the courts have dealt with these matters before and the courts have issued standard guidelines as to what reasonableness means, and that is what we are referring to. For a piece of legislation to say that something is to be done when it is reasonably practicable or reasonably practical is quite standard and guidelines as to what is reasonable or not are usually provided in the courts through case law. This is the test of reasonableness which applies to many circumstances, and there are tried and tested cases in relation to disability and guidelines that have been established in the cases of disability.

So, because this is a point that has been raised by everybody opposite, I wish to allay everybody's fears in this respect as to the definition of reasonableness. I am sure that there was no mischief intended or any undue scaremongering, but if I can provide clarification as to what that means, there is plenty of clarification as to what it means in case law. It is not a get-out clause in any way; it is just a very standard approach to this. And in any event, I think that the Hon. Mr Feetham must have missed when I ... I did not go through each section of the Bill – I said that I would only refer to the most salient points, and I did start off by referring to section 6, which is the one that gives us power to provide guidance. So his invitation for us to provide guidance has already been catered for and the intention, as I explained in my speech, is that my Department will from time to time be issuing guidance notes.

The Hon. Mr Llamas referred to a conversation that we had where I hoped to issue the first guidance notes in September. In fact, it will probably be earlier than that because the guidance note in relation to access to buildings, the guidance note explaining the effect of the part R

regulations, will be issued sooner. And in fact, Mr Speaker, we hope to, by the end of the week, have a guidance note on the Disability Act itself. I think within a month we will have two guidance notes issued pursuant to section 6 of the Act, so I hope that that allays anybody's concerns.

Going back to the intervention before Mr Feetham's intervention, that of Mr Clinton – and it is ironic that it is only Mr Clinton who says that this could have been passed sooner, when Mr Clinton is the only one who represents a party that was in Government and could themselves have done this sooner. It is very telling that neither of the independent Members have raised this as an issue. Of course, as the Chief Minister said, we would all have wanted this to have been done sooner. When we were very idealistically and happily drafting the manifesto before the 2011 election – because of the importance that we gave this, we wanted to ensure that we did this as soon as possible – we thought it would have been easy to have done it by 2011. Because of the complexity and volume of the issues involved, that was not possible, but that is not to say that a lot of the groundwork has not been undertaken since then, because, as I referred to in my speech, of course this legislation is important but we ... Mr Speaker, shall I pause a second so we can maybe ...? I hear an echo in the microphone. (*Interjection*) Of course the legislation is important, but it goes beyond the legislation, and that which goes beyond the legislation is work that we have been undertaking very intensely and very tirelessly since 2012 by way of reviewing our policies, investing in our services, investing in training and investing in the delivery of awareness training for other groups as well.

Dealing with the issues raised by Mr Llamas and Ms Hassan Nahon, which were quite similar, in relation to the omission of reference to employment, as I mentioned to Mr Llamas in our conversation, if protections exist in other pieces of legislation then they will not be replicated in this Act because then that would make for bad law. And that, Mr Speaker, is protected under the Equal Opportunities Act, which in my initial speech I explained refers to protection from discrimination in the field of employment.

They also referred to the UN Convention, which refers to a committee that monitors the Treaty. The way that conventions are ratified is not the same as when European directives are transposed into domestic legislation. I know that this may seem like technical legal jargon, as Mr Reyes always affectionately refers to me because I am a lawyer, but because I am a lawyer I know what the difference is, and to me it is very clear and the difference is important in these circumstances because what this Act does is provide for a model of legislation based on the principles of the UN Convention. It is not intended to be and it is not a wholesale replica of the UN Convention; it has to be relevant to our community. There are sections which do not appear in this piece of legislation because they appear in others, and because we are not transposing a UN Convention there is no need to have a committee to ensure that we are complying to report back to the UN. Mr Speaker, the way that it works is that we need to first have legislation in place that would satisfy the extension of the UN Convention to Gibraltar, and in fact that extension is not in our gift; it is something that we would apply to be extended through the UK and that is a process that takes an extremely long time, but this is how it stands. I hope that explanation as to how the process works is useful.

I hear comments as to who will monitor the legislation. I am perfectly satisfied that appropriate safeguards are in place, because of course at this point I make the point that there is obviously recourse to the courts, and that is always available but obviously recourse to the courts is always used as a last resort. But there will be many independent organisations who are free to make representations and to speak out on behalf of people with disabilities. For the last five and a half years this Government has operated an open-door policy, where we always listen to and, on the whole, always consider representations that are made by third parties. At this stage, I do not see that there is a need for an external body to check the implementation of the legislation, because there is no suggestion that the legislation will not be implemented to the full effect of the law – literally, Mr Speaker. But again, like everything else, legislation is fluid, and if there is a genuine need for such safeguards, then if an issue were to arise it is something that we

would consider at the appropriate time – but at this point there is no evidence that that would be necessary.

1165 In relation to the point made for advocates, this is already covered to a different extent, depending on the individual concerned and on the mental capacity of the individuals concerned. Advocacy can be made and will be accepted if made on behalf of an individual by parents or by representative groups. Concerns are always heard and considered very seriously. Certainly when I was responsible for disability services I always took on board representations made to me by individuals, by parents and by representative groups, including the Disability Society, and I know that my hon. and learned Friend Mr Costa equally continues that practice. In the case of a person with disabilities, we will always have a social worker as an advocate for them, so that is a further safeguard, and in the case where someone falls within the remit of our new Mental Health Act there will be provision in that Act, where appropriate, for there to be guardians for these individuals, so this is also already covered.

1170 So, Mr Speaker, while points have been made, I am sure I am satisfied that there are procedural safeguards and I am sure that the implementation of this legislation, which we have all long awaited, will be very effective.

Once again, I commend the Bill to the House. *(Banging on desks)*

1180 **Mr Speaker:** I now put the question, which is that a Bill for an Act to make provision for persons with disabilities modelled on the United Nations Convention on the Rights of Persons with Disabilities and the Optional Protocol to the United Nations Convention on the Rights of Persons with Disabilities, and for matters connected thereto, be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

1185 **Clerk:** The Disability Act 2017.

**Disability Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for Housing and Equality (Hon. Miss S J Sacramento): I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

1190 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today?

Members: Aye.

1195 **Clerk:** A Bill for an Act to amend the Housing Act 2007. The Hon. the Minister for Housing and Equality.

1200 **Chief Minister (Hon. F R Picardo):** Mr Speaker, can I move that the House recess for five minutes so that the Government can deal with a particular issue – not for long, just for five minutes?

Mr Speaker: We will now have a short recess.

*The House recessed at 4.55 p.m.
and resumed its sitting at 5.00 p.m.*

COMMITTEE STAGE AND THIRD READING

In Committee of the whole Parliament

Clerk: Committee Stage and Third Reading.

1205 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause: the Proceeds of Crime (Amendment) Bill 2017; the Markets, Street Traders and Pedlars Act (Amendment) Bill 2017; the Law Commission Bill 2017; the Children (Amendment) Bill 2014 – obviously 2017; and the Medical (Gibraltar Health Authority) (Amendment) Bill 2017, as well as
1210 the Disability Bill 2017.

**Proceeds of Crime (Amendment) Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Proceeds of Crime Act 2015.
Clauses 1 to 3.

Mr Chairman: Stand part of the Bill.

1215

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Markets, Street Traders and Pedlars Act (Amendment) Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Markets, Street Traders and Pedlars Act.
Clauses 1 and 2.

1220

Mr Chairman: Stand part of the Bill.

Clerk: The long title.

1225

Mr Chairman: Stands part of the Bill.

**Law Commission Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to provide for the Constitution of the Law Commission for the reform of the law and for connected purposes.
Clauses 1 to 6.

1230

Mr Chairman: Stand part of the Bill.

Clerk: The long title.

1235 **Mr Chairman:** Stands part of the Bill.
The Hon. Roy Clinton.

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

1240 I just have one question and that is in relation to the composition of the Law Commission in clause 4(2). In terms of the composition – no fewer than six and the various members, and looking at the two barristers or solicitors and then two commissioners appearing to go on to be suitable for the role – I was wondering if there is an intention on behalf of the Government to maintain that proportion in the sense of ... It would appear from the reading of this that there is nothing stopping the Commission from having, for example, 20 commissioners appearing to be
1245 suitable and just having two lawyers. I know it may sound a ridiculous suggestion, but is there anything perhaps that the Government may want to put in to just tighten it to make sure that that proportion is maintained?

Minister for Health, Care and Justice (Hon. N F Costa): Mr Chairman, to answer the hon.
1250 Gentleman's question, the appointment of the law commissioners was quite a gruelling exercise for us, in terms of choosing persons we thought would be suitable to cover the various purposes contained in the Bill, and so we ended up with a list which we thought reflected eminent members of society who would be suitable to be law commissioners. As the Hon. Mr Phillips said, in respect of any particular subject matter then we would be inviting other stakeholders to
1255 either provide evidence or to provide advice to the Law Commission, but not as law commissioners. So, in short, the answer is that we do very much anticipate that this ratio will be kept moving forward.

Clerk: So, just for the sake of *Hansard*, clauses 1 to 6.

1260 **Mr Chairman:** Stand part of the Bill.

Clerk: The long title.

1265 **Mr Chairman:** Stands part of the Bill.

**Children (Amendment) Bill 2014 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Children Act 2009.

Mr Chairman: There are two very simple amendments, of which notice has been given.
One of them is to change the date from 2014 to 2017.

1270 The other one is a typographical error, really: in clause 2, substitute the word 'undertaken' for 'undertake'.

Do all hon. Members agree that those amendments be inserted?

Clerk: Clause 1 as amended.

1275 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 2 as amended.

Mr Chairman: Stands part of the Bill.

1280

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Medical (Gibraltar Health Authority) (Amendment) Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Medical (Gibraltar Health Authority) Act 1987 and the
1285 Care Agency Act 2009 and to make consequential amendments to the Medical Health Act 1997,
the Mental Health Act 2016 and other subsidiary legislation.
Clauses 1 to 10.

Mr Chairman: Stand part of the Bill.

1290

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Disability Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to make provisions for persons with disabilities, modelled on the
1295 United Nations Convention on the Rights of Persons with Disabilities and the Optional Protocol
to the United Nations Convention on the Rights of Persons with Disabilities and for matters
connected thereto.
Clauses 1 to 26.

1300 **Mr Chairman:** Stand part of the Bill.

Clerk: Schedule 1.

Mr Chairman: Stands part of the Bill.

1305

Clerk: Schedule 2.

Mr Chairman: Stands part of the Bill.

1310 **Clerk:** Schedule 3.

Mr Chairman: Stands part of the Bill.

Clerk: The long title.

1315

Mr Chairman: Stands part of the Bill.

**Proceeds of Crime (Amendment) Bill 2017 –
Markets, Street Traders and Pedlars Act (Amendment) Bill 2017 –
Law Commission Bill 2017 –
Children (Amendment) Bill 2017 –
Medical (Gibraltar Health Authority) (Amendment) Bill 2017 –
Disability Bill 2017 –
Third Readings approved: Bills passed**

1320 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the Proceeds of Crime (Amendment) Bill 2017, the Markets, Street Traders and Pedlars Act (Amendment) Bill 2017, the Law Commission Bill 2017, the Children (Amendment) Bill 2017, the Medical (Gibraltar Health Authority) (Amendment) Bill 2017 and the Disability Bill 2017 have been considered in Committee and agreed to with amendments and I now move that they be read a third time and passed.

1325 **Mr Speaker:** I am now going to put the question in respect of five of the Bills together, leaving the Medical (Gibraltar Health Authority) (Amendment) Bill to be voted on separately.

So I now put the question that the Proceeds of Crime (Amendment) Bill 2017, the Markets, Street Traders and Pedlars Act (Amendment) Bill 2017, the Law Commission Bill 2017, the Children (Amendment) Bill 2017 and the Disability Bill 2017 be read a third time and passed. All in favour? (**Members:** Aye.) Those against? Carried.

1330 I will now put to the vote the Medical (Gibraltar Health Authority) (Amendment) Bill 2017. Those in favour? (**Several Members:** Aye.) Those against? (**Several Members:** Nay.) The Bill is approved. The Third Reading is approved by the Government voting in favour and the two independent Members with the Official Opposition voting against.

1335 **Hon. Chief Minister:** Mr Speaker, I now move that the House should adjourn to Wednesday, 26th July at 3 p.m.

Mr Speaker: The House will now adjourn to Wednesday, 26th July at three in the afternoon.

The House adjourned at 5.10 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.10 p.m. – 4.26 p.m.

Gibraltar, Wednesday, 26th July 2017

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The Gibraltar Parliament

The Parliament met at 3.10 p.m.

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

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

Order of the Day

BILLS

FIRST AND SECOND READING

Social Security (Miscellaneous Amendments) Bill 2017 – First Reading approved

Clerk: Meeting of Parliament, Wednesday, 26th July 2017.

Order of Proceedings: Bills.

- 5 A Bill for an Act to amend the Social Security (Insurance) Act, the Social Security (Employment Injuries Insurance) Act and the Social Security (Open Long-Term Benefits Scheme) Act 1997; and for connected purposes. The Hon. the Minister for Tourism, Employment, Commercial Aviation and the Port.

- 10 **Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi):**
Mr Speaker, I have the honour to move that a Bill for an Act to amend the Social Security (Insurance) Act, the Social Security (Employment Injuries Insurance) Act and the Social Security (Open Long-Term Benefits Scheme) Act 1997, and for connected purposes, be read a first time.

- 15 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Social Security (Insurance) Act, the Social Security (Employment Injuries Insurance) Act and the Social Security (Open Long-Term Benefits Scheme) Act 1997, and for connected purposes, be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

- 20 **Clerk:** The Social Security (Miscellaneous Amendments) Act 2017.

Social Security (Miscellaneous Amendments) Bill 2017 – Second Reading approved

Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi):
Mr Speaker, I beg to move that the Bill for the Social Security (Miscellaneous Amendments) Act 2017 be read a second time.

This Bill gives effect to two Budget measures relating to Social Security, announced in 2015, to encourage and assist small businesses and start-up companies.

The first measure was the abolition of the employer Social Insurance contributions on a second employment. Before this measure was announced, where an individual had a second employment both employers were required to pay Social Insurance contributions. With the introduction of this measure, once a maximum contribution is paid by an employer in respect of an employee no further contribution by an employer is required to be made.

The second Budget measure was the introduction of a credit of £100 per employee in respect of the employer's contribution for Social Insurance for companies with 10 or fewer employees. This Budget measure is given effect in this Bill by way of a regulation-making power enabling the Minister to provide for the granting of a credit to employers who employ a prescribed number of employees, subject to such terms and conditions as may be prescribed. The draft regulations will be published once this Bill is published as an Act and these will provide that the credit will be made against the final payment of the year and companies will only be eligible if they have made the required Social Insurance and tax payments on time throughout the year of assessment. For a new company the credit applies to companies with up to 20 employees in the first year of operation.

Mr Speaker, the Bill, given that it gives effect to Budget measures announced in 2015, will apply retrospectively, if approved, to 1st July 2015.

I commend the Bill to the House.

25 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

I will now put the question, which is that a Bill for an Act to amend the Social Security (Insurance) Act, the Social Security (Employment Injuries Insurance) Act and the Social Security (Open Long-Term Benefits Scheme) Act 1997, and for connected purposes, be read a second
30 time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Social Security (Miscellaneous Amendments) Act 2017.

**Social Security (Miscellaneous Amendments) Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi):
35 Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today?

40 **Members:** Aye.

**Housing (Amendment) Bill 2017 –
First Reading approved**

Clerk: A Bill for an Act to amend the Housing Act 2007. The Hon. the Minister for Housing and Equality.

Minister for Housing and Equality (Hon. Miss S J Sacramento): I have the honour to move that a Bill for an Act to amend the Housing Act 2007 be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Housing Act 2007 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Housing (Amendment) Act 2017.

**Housing (Amendment) Bill 2017 –
Second Reading approved**

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, I beg to move that the Bill be read a second time.

This Bill introduces an amendment to the Housing Act 2007. Its purpose is to inter alia provide for the variation of rent charged for Government rental housing stock. The Housing Act does not make specific provision for this.

Section 30A of the Act grants the Minister with responsibility for housing very wide powers to make regulations. Among various other matters, such regulations may prescribe the conditions of occupation of premises of tenants in public housing. The Bill introduces a statutory definition of ‘conditions of occupation of premises’. The House will note that this definition includes a wide spectrum of matters, including the terms of any tenancy agreement with the tenant, the levels of rent and other charges payable, the method of payment and recovery of arrears of rent, and the use of public housing, including, without limitation to, the number of occupiers. The Bill clarifies, therefore, the reach of the powers available to the Minister as currently contained in section 30 of the Act.

This House is very well aware of the Government’s commitment to public sector housing. We are justly proud of our unprecedented investment in public sector housing and of the significant improvement of facilities to tenants. We remain committed to protecting and enhancing our public housing stock. At last year’s Budget speech, the Chief Minister noted that Government would continue to invest in the upgrading of our public housing stock. Indeed, in my own Budget intervention this year I outlined the continued plan of refurbishment works in our housing estates this year and beyond.

You may also recall, Mr Speaker, that the Ombudsman called for a review of the housing rents in his annual report last year. Since the announcement was made, the step has been widely accepted and indeed welcomed, perhaps more on a matter of principle than because of the value of the income that rent increases will generate. Mr Speaker, the House will know that public sector rents have not been adjusted for a considerable period of time – in fact, since 1983 – not even to reflect inflation over the last 34 years. The increase itself is relatively minimal.

In his 2016 Budget address the Chief Minister announced that Government residential rents would be increased – in fact, for the first time in 34 years, rather than 32 years, as he then said – by 3%, which will amount to an average of 60p per week. The increase will amount to 39p for a two-bedroom property at Alameda Estate, or 46p a week for a two-bedroom property at the Mid-Harbour Estate, namely less than half the price of one edition of the *Gibraltar Chronicle*. I indicated then that this very modest adjustment should continue on an annual basis; and even if

this measure were applied annually over the next three decades, rents at that point will nevertheless remain considerably below what they would have been if 1983 rents had increased consistently in line with inflation over the 34-year period between 1983 and 2017. This Bill allows for this to be given effect.

Furthermore, I have also instructed for there to be further amendment to legislation to allow for similar increases to be made to other Government charges, to be increased annually in accordance with inflation. Notice of such inflation will be provided in the Gazette.

This measure is long overdue. The Members opposite have already indicated their support to this principle and I expect, therefore, that this Bill will be supported by all Members of the House as fiscally prudent and sensible. The adjustment is extremely fair to our tenants, but it also provides some rebalancing in favour of the general taxpayer, even though, because of the very modest adjustment, it does not even correct the effects of inflation over the period.

Mr Speaker, I commend the Bill to the House. *(Banging on desks)*

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill? No.

45 I will now put the question, which is that a Bill for an Act to amend the Housing Act 2007 be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

Clerk: The Housing (Amendment) Act 2017.

**Housing (Amendment) Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for Housing and Equality (Hon. Miss S J Sacramento): I beg to give notice that the Committee stage and Third Reading of the Bill be taken today, if all hon. Members agree.

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of this Bill be taken today?

Members: Aye.

COMMITTEE STAGE AND THIRD READING

In Committee of the whole Parliament

Clerk: Committee Stage and Third Reading.

Mr Speaker: The Hon. the Chief Minister, will you please move that the House resolve itself into Committee.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the House should now resolve itself into Committee to consider the following Bills clause by clause, namely the Housing (Amendment) Bill 2017 and the Social Security (Miscellaneous Amendments) Bill 2017.

**Social Security (Miscellaneous Amendments) Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Social Security (Insurance) Act, the Social Security (Employment Injuries Insurance) Act and the Social Security (Open Long-Term Benefits Scheme) Act 1997; and for connected purposes.

Clauses 1 to 4.

Mr Chairman: Stand part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Housing (Amendment) Bill 2017 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Housing Act 2007.

Clause 1.

50 **Mr Chairman:** Stands part of the Bill.

There is notice being given of an amendment. It is really a typographical error. Clause 1 should properly be renumbered clause 2, and that is the amendment that is being moved by the Hon. Minister – notice has been given. Do all hon. Members agree that clause 1 be renumbered correctly as clause 2? (**Members:** Aye.) Carried.

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Clerk: The long title.

Mr Chairman: So clause 2 as amended stands part of the Bill and the long title stands part of the Bill.

**Social Security (Miscellaneous Amendments) Bill 2017 –
Housing (Amendment) Bill 2017 –
Third Readings approved: Bills passed**

60 **Chief Minister (Hon. F R Picardo):** Mr Chairman, I have the honour to report that the House has considered in Committee the Housing (Amendment) Bill 2017 and the Social Security (Miscellaneous Amendments) Bill 2017 and has passed them with one amendment.

65 **Mr Chairman:** I now put the question, which is that the Social Security (Miscellaneous Amendments) Bill 2017 and the Housing (Amendment) Bill 2017 be read a third time and carried. Those in favour? (**Members:** Aye.) Those against? Carried.

GOVERNMENT MOTION

**Ombudsman for Public Services –
Dilip Dayaram Tirathdas MBE appointed**

70 **Clerk:** We now move to Government motions. The Hon. the Chief Minister.

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

This House approves by Resolution pursuant to section 3(2) of the Public Services Ombudsman Act 1998, the appointment of Mr Dilip Dayaram Tirathdas MBE JP as the Ombudsman for Public Services for all the purposes of that Act with effect from Monday 26 June 2017 for the term of three years.

75 Mr Speaker, Mr Dilip Dayaram Tirathdas is well known to all Members of this House, and indeed to all members of the community. He is a person who has been involved, at times, with the running of elections – both in terms of European elections and parliamentary elections – in the background and in assisting the preparation for that, and he has been involved in the Civil Service since 1974. Indeed, it is really a career that has spanned 40 years in Government services, and in that time Mr Tirathdas has sought qualification in areas beyond just the areas in
80 which he practised in Government.

Dilip started as a clerical officer in the Treasury and his career has really been related to Government finances. He spent a lot of time in the Treasury, in the Secretariat and in the Income Tax Office. No doubt some of that time, Mr Speaker, he may have come into contact with you in your time in Government. He ended up being a very senior officer in Government
85 finance. He was a senior executive officer in the Treasury department, a senior accountant. He then became Accountant General in 1995 and then Financial Secretary from 2007-14. Mr Speaker, a person who has been in Government service since 1974, has served five Chief Ministers at different times, and Dilip ended his career in Government service working very closely indeed with my predecessor, Peter Caruana, and then with me as Chief Minister. He has,
90 of course, also the great distinction of being the first Gibraltarian Financial Secretary, the first Financial Secretary who was appointed after the 2006 Constitution, not as an *ex officio* member of this House but as one of the appointees directly appointed by the Chief Minister at the time in February 2007.

He is a person who everyone who knows him will say is of a friendly and mild demeanour.

95 The qualifications he sought, as I was saying, when he was dealing with these financial matters in the Treasury went beyond simply the sort of qualifications that one would associate with that. Dilip qualified with a Bachelor of Science from the University of Manchester in Financial Services in 2002, having previously become a Fellow of the Chartered Institute of Bankers in September 2001. He took a Bachelor of Arts degree from the Open University also in
100 December 2002 and a Bachelor of Law degree in December 2008, and Dilip was called to the Gibraltar Bar on 20th September 2013, having previously been called to the Bar in the United Kingdom in October 2011.

Mr Speaker, that is the background of Dilip Dayaram Tirathdas, and therefore, when the Government was looking to see who would be a good successor to Mario Hook, who was
105 Gibraltar's second Ombudsman, we were looking for somebody who had a deep understanding of the workings of Government, who had the ability to understand people's rights and who had the maturity and the manner with people that one would expect an ombudsman to have. Indeed, if I may say so, the sort of role that Henry Pinna, as our first Ombudsman, and Mario Hook have carved out for ombudsmen in Gibraltar requires that level of maturity, that level of
110 approachability and that level of impartiality which few in our community can muster.

And so, with that in mind, the name of Dilip Dayaram Tirathdas was proposed to the Government and we thought it was absolutely the right sort of characteristics that he represented that would make for a good Ombudsman. Dilip has been holding the post of Ombudsman, as the legislation provides for, for a short period pending the decision of this House by way of approval of this motion, and I can think of no one better to fill this role now going forward, to fill the very big shoes that Henry Pinna created and Mario Hook filled and that are left now in that office of Ombudsman to continue to do the sterling work that that office does, than Dilip Dayaram Tirathdas, and I therefore commend the appointment to the House as set out in the motion. (*Banging on desks*)

Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. the Chief Minister.

The Hon. the Leader of the Opposition.

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

I must, first of all, declare that I have counted Dilip Tirathdas as a friend for many years and I have to admit that I truly admire his dedication and commitment to all things to which he turns his mind.

He entered the Civil Service at the age of 17 in 1974 and indeed reached the pinnacle of Financial Secretary upon his retirement in 2012 after 38 years of service. As the Chief Minister has already remarked, he has worked in the Government Secretariat, the Income Tax Office and the Treasury before being appointed as Accountant General and our first Financial Secretary. His dedication and contribution to the Civil Service was quite rightly recognised with the award of an MBE in 2015 for public service in Gibraltar.

Dilip has thirsted for knowledge and self-improvement and in his own time he has obtained an honours degree in financial services and an honours degree in law, no mean achievement. He is also a qualified barrister and is a Fellow of the Chartered Institute of Bankers. To have achieved all this while also undertaking what was an onerous full-time job is merit indeed and evidence of the commitment Dilip applies to any task at hand. And not content to enjoy his well-earned retirement, Dilip continued his civil duty in having volunteered to be appointed as a Justice of the Peace. And so, Mr Speaker, in summation, Dilip is, by all counts, a jolly fine fellow and a model citizen for us all.

Today the Chief Minister is requesting this House to approve the appointment of Mr Dilip Tirathdas as the Ombudsman for Public Services, pursuant to section 3(2) of the Public Services Ombudsman Act 1998. The Public Services Ombudsman Act 1998 in its title describes itself as, and I quote:

An Act to make provision for the appointment of an Ombudsman for the investigation of administrative action taken by or on behalf of the Government of Gibraltar and providers of certain services to the general public, to regulate the functions thereof, and for purposes connected therewith.

A bit of a mouthful!

Mr Speaker, the Ombudsman is also an officer of this Parliament under section 25(3)(b) of the 2006 Gibraltar Constitution, and as such the expense of the office is quite rightly a charge on the Consolidated Fund.

The role of Ombudsman is a very important one, in that they report to Parliament and also have wide-ranging powers of investigation as to fair administration by Government. The key to undertaking this duty is the requirement for impartiality and independence, so that public confidence in the office of Ombudsman may never be undermined.

It is our understanding on this side of the House that the previous two holders of the post of Ombudsman did not have any significant record of employment as civil servants, having pursued their careers in the private sector. We have a concern that, given the Ombudsman covers such a wide range of entities, that as Financial Secretary, or indeed during his long career as a civil

servant, Mr Tirathdas may have had some direct or indirect involvement such that the potential for conflicts of interest, whether real or perceived by the public, is unfortunately greatly increased.

Mr Speaker, an extract from the schedule to the Public Services Ombudsman Act lists the following as areas which would be subject to investigation by the Ombudsman. It is broken down into three areas. Firstly, Government:

1. GOVERNMENT.

1.1. All Gibraltar Government departments and agencies, including, but without prejudice to the generality of the foregoing, the Royal Gibraltar Police.

2. STATUTORY BODIES.

2.1. Gibraltar Health Authority.

2.2. Gibraltar Broadcasting Corporation.

2.3. Gibraltar Development Corporation Limited (GDC), including the Employment and Training Board (ETB), the Tourism Board and any other Sections of the GDC.

2.4. The Development and Planning Commission.

2.5. The Transport Commission.

2.6. The Traffic Commission.

2.7. The Care Agency.

2.7A Gibraltar Electricity Authority.

2.8 The Gibraltar Sports Authority.

2.10 The Gibraltar Culture and Heritage Agency.

2.11 The Borders & Coastguard Agency.

2.12 The Housing Works Agency.

And then, thirdly:

PUBLIC UTILITIES AND CONTRACTORS.

Any person, company or other entity providing one or more of the following services to the Government of Gibraltar or to the general public under the terms of a contract with or a licence issued by the Crown or a statutory body.

In short, anything that has any Government involvement or control.

Mr Speaker, apart from the general financial responsibility for Government Departments, the Financial Secretary also has, by way of example, sat on the boards of both the GHA and Gib Telecom. It could perhaps be reasonably argued, as indeed the Chief Minister already has, that Mr Tirathdas, because of his intimate inside knowledge of the workings of the Civil Service and other Government entities, is perhaps best placed to consider complaints against them. On the other hand, we have received representations that the office of Ombudsman may perhaps be seen to be undermined as regards a perceived lack of independence by the general public. On this point the jury is really still out and only time will tell whether the office of Ombudsman should best be undertaken by a retired senior civil servant or not.

The other area of concern to us on this side of the House is in fact the manner of selection of the candidate for Ombudsman. At no point that I am aware of has the Chief Minister discussed the appointment of this parliamentary officer with anyone on this side of the House, even if only by way of courtesy, as to our opinion. If such an opinion had been sought, we would have urged that the post be advertised as widely as possible and an independent committee be created to shortlist candidates. Even if the law currently as drafted makes no provision, we think that would be only best practice.

According to the 2017 Estimates, the post of Ombudsman currently attracts an annual salary of £83,483, which in itself, if the numbers are correct from the 2016-17 Estimates, is a 16.4% increase on last year. Last year's salary was £71,716 at the maximum level – or it would appear to be an increase of £11,767 from last year. We would be interested to hear from the Chief Minister as to the reasons for such a generous increase, albeit admittedly not his usual 28%. It is a well-remunerated position which no doubt could have attracted interest from inside and

outside the Civil Service. We will be interested to hear from the Chief Minister as to what process was followed in selecting the candidate being proposed to this House today.

190 Mr Speaker, given our current reservations as expressed, whereas we have full confidence in Mr Tirathdas as a man of integrity and ability, we do have concerns as to whether a retired senior civil servant is perhaps the best person to be appointed Public Services Ombudsman, and we would have welcomed the advertising of the post within both the public and private sector. And so, unless the Chief Minister in his reply can provide some compelling reasons for the
195 appointment of Mr Tirathdas as opposed to any other potential candidate, either inside or outside the Civil Service, we this side of the House are minded to exercise our right to abstain on his appointment.

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

200 **Mr Speaker:** Before I call on the mover to reply, does any other hon. Member wish to speak on this motion?

I will then call on the Chief Minister to reply.

Hon. Chief Minister: Well, Mr Speaker, I am very pleased indeed that the passing of the
205 baton has not meant that there is a passing of the page to a more progressive and positive GSD that might therefore more engage with or be in tune with people's views as to how this community should be run, because nothing could be better for us on this side of the House.

I am sorry that the hon. Gentleman's first real substantive intervention as Leader of the Opposition will be to march his troops all the way to the top of the hill, get them to do nothing
210 and march them back down again. But so be it, although I will counsel the hon. Gentleman that that approach and that even mild-mannered belligerence, if I may put it that way, is not really what this community is looking for at this time in particular. People are looking for us to work together and constructively in order to take this community forward. In doing so we each have a role, and the role that is ascribed to me under section 3 ... If the Hon. Mr Phillips cares to listen,
215 given that he at least is here today, he might learn something of the law.

Mr Speaker, section 3 of the Public Services Ombudsman Act sets out what my role is in this, and my role, because the people of Gibraltar have decided it should be, is to appoint a person from time to time to discharge the responsibilities of Ombudsman, and then for this Parliament to make a decision as to who should discharge that function for the period of appointment of
220 three years. So let us be clear about what it is that the law requires before suggesting that even in circumstances when appointments are made by the House we should be going out to advertise. Under section 3, I appoint from time to time but only for a short period and then I bring to the House and the House decides – and I brought a motion.

The hon. Gentleman has not proposed another name. He has not been in touch with me to
225 propose another name, and the fact is that in all of the instances when an Ombudsman was appointed before, there was no phone call from the greatest Gibraltarian of all time to Mr Bossano. Well, I understand that there was not, Mr Speaker. I understand that there was not, and in fact I will tell the hon. Gentleman more: if there was ... And this is now obviously a difference of opinion between a man who is not here and a man who is as to what might have
230 happened 15 years ago.

I shall tell him that when there is in the law an obligation to consult, like for example on the appointment of Speaker, the consultation amounted to, 'Joe, I am going to appoint x as the Speaker,' not 'Joe, what do you think? Have you a name? Should we advertise?' So, even when consultation is required, the GSD definition of consultation is, 'I'm telling you that,' and where
235 consultation is not required there was not even that, and this is does not require consultation.

This is different. This is an appointment by the House, Mr Speaker. The appointment is going to be made by us here today. The notice of appointment done under the Gazette is only a short-term appointment. The job is given by the people in this House through their elected representatives.

240 It is all very well to say that somebody is highly qualified, to go through the qualifications that Mr Dayaram Tirathdas has and say that he is a jolly good fellow, and then to lay into the man – which is, in effect, what the hon. Gentleman has done by saying he is not able to discharge the functions of the office of Ombudsman, despite the qualifications that he has because they impugn his ability to be impartial. How can the hon. Gentleman opposite get up and say that
245 simply because someone has been a civil servant they cannot be impartial? How can he say that?

Mr Speaker, as I understand it, the former Ombudsman did a short stint in the Civil Service as a Crown Counsel defending the Government in court. So, is it that it is only possible to be independent in the assessment of claims about whether the Government has acted
250 administratively properly or improperly – their Government or our Government, because the Ombudsman considers cases sometimes going back seven years, 10 years – if one comes from outside the Government and not from within? Is it that they have forgotten that the person who was Gibraltar's first Ombudsman was the Chairman of Action for Housing? And is it that they do not look at the Ombudsman's report and see that the majority of the complaints relate to housing? So, they do not impugn the impartiality of somebody coming from outside who has
255 taken a position in relation to housing – in fact, they propose them – and yet when somebody comes from the Treasury department they impugn the ability of the individual to be impartial.

Mr Speaker, I understand that they are gasping for political breath and they are looking for any point to take. They should take the goods ones, not the bad ones. The crisis in the GSD
260 should not become an issue that leads them, simply in an attempt to stay alive politically – *(Interjection)* not until I have finished the sentence – to impugn somebody's impartiality and integrity, Mr Speaker.

Mr Speaker: The Hon. the Leader of the ... It has to be on a point of order. He is not just
265 asking the Chief Minister to give way. It is on a point of order.

Hon. R M Clinton: Absolutely, Mr Speaker.

Mr Speaker: What Standing Order are you referring to, please?

Hon. R M Clinton: The question of relevance to the debate, Mr Speaker.

Mr Speaker: Relevance?

Hon. R M Clinton: Relevance to the debate. What is the debate –

Mr Speaker: You want me to rule on relevance?

Hon. R M Clinton: Relevance to this motion.

Mr Speaker: I want to hear you: what is irrelevant? What do you consider to be irrelevant in what the Chief Minister is saying?

Hon. R M Clinton: Any references to the GSD or its future, Mr Speaker.

Mr Speaker: Any reference?

Hon. R M Clinton: To the GSD or its future, Mr Speaker. What has that got to do with this debate? *(Interjections)*

Mr Speaker: We have two parties – three parties, sorry – represented in this House amongst the Members. We have two independent Members. Are you asking me to rule whether any references to the future of those parties is relevant? A passing reference? One thing is to enlarge on a point which can be introducing new material when the Chief Minister exercises his right to reply. Enlarging on a point, developing a point, can be new material. A passing reference – is that new material or is that irrelevant?

Hon. Chief Minister: Mr Speaker, may I deal with the point, because –

Mr Speaker: Having heard the Leader of the Opposition, I now want to hear what the Chief Minister's view is on this question of relevance.

Hon. Chief Minister: Mr Speaker, my position – my political position as Leader of the House – is that their party's fracture, the destruction of the fabric of the Opposition –

Hon. R M Clinton: I really must object to him carrying on.

Hon. Chief Minister: – of the GSD –

Mr Speaker: I have invited the Chief Minister –

Hon. R M Clinton: But, Mr Speaker, this is going well beyond explaining his point.

Mr Speaker: I think the new Leader of the Opposition is not going to make my life easy (*Laughter*) if apart from raising a point of order he is also going to instruct me as to how I should judge the issue. I hope that he will give me an opportunity to listen to both sides and then perhaps take a view.

Hon. Chief Minister: Thank you, Mr Speaker.

On the issue of relevance in debate of the complete fracture of the GSD, of the political crisis that there is in College Lane in respect of the party that was the Government and is now not able even to keep the seats in opposition under its whip, the issue is of course simply this, and it is immediately relevant: they need to be politically somehow relevant to this community, and my case is that they are taking a position against Dilip Dayaram and they are taking other political positions simply to try and remain politically relevant.

In this House, when I am addressing how people should vote – and I am addressing 17 Members, two of whom used to take the whip of the GSD and do not any longer – I wish to develop the point that part of what is happening in this House, and perhaps happened in other debates, is that the political crisis in the GSD is infecting the political debate that is put by the leader of that party in this House, who is, for now at least, the Leader of the Opposition.

I have read today in one of the local newspapers that there is even an attempt to interpret the Constitution, which they published with great fanfare in 2013, in such a purposive way that it makes it difficult for people no doubt to have confidence in how they interpret everything else.

That is why, Mr Speaker, I think that the complete breakdown of a party – that held government for 16 years but now is unable even to hold the seats that it was elected to represent in this House – is relevant to this debate, as it has been relevant in debates in this House in the past to mention many things which might not be directly relevant to the issue of a motion or an Act but which are politically relevant. I will put it to hon. Gentlemen opposite that if they try to restrict what a person can consider to be politically relevant to an argument that they make, they, even from the Opposition seats, will seek to gag debate in Gibraltar – they are even attempting to stop the Chief Minister of Gibraltar from expressing his view.

God forbid that they should ever hold government again, because then we would lose once again freedom of speech in this community in the same way as they excluded *The New People* from press conferences of the Government whilst they held that office because it simply did not share their views and criticised them. So let us hope that those who represent that attempt to stop political debate do not in the future hold office in this nation. (**A Member:** Hear, hear.) (*Banging on desks*)

Mr Speaker: I take the view that a passing reference made about the future of a political party is not irrelevant. Had the Chief Minister attempted to develop the point in the manner in which he has done now, (**Several Members:** Ah!) (*Laughter*) I would have called him to order, but that has happened as a result of the point of order which the Leader of the Opposition has raised. (*Interjections and laughter*) (**Hon. Chief Minister:** I love it!) But as part of his substantive speech I would have called him to order, but as a passing reference it is not irrelevant. Development of it is outside the scope of the debate.

Please carry on.

Hon. Chief Minister: So, Mr Speaker, as I was saying in passing, the hon. Members appear, because of the political crisis affecting the GSD, to look for any – (*Interjection*) No, I am just picking up where I left off; I am not going to continue with it. I have explained why I think the political crisis in the GSD has become so relevant, but what I was saying was that they are taking any point they can in order to try and paper over not the crack but the cavern that is appearing in the GSD. That is now affecting Dilip Dayaram Tirathdas. Let's see who it affects next. Let's hope it is not something which goes to Gibraltar's national interest. Let us hope it does not, Mr Speaker. I hope that they take the summer to reflect on where they are and where Gibraltar would expect them to be.

It is true that Dilip Dayaram Tirathdas has not been appointed to a post that requires impartiality by the GSLP/Liberal administration. First, he was appointed by the GSD administration, by the former Chief Minister, to a post that certainly requires impartiality: the post of Financial Secretary, which carries with it statutory obligations, and he discharged that – and I made the point in my speech – in an exemplary fashion both from 2007 to 2011 under the GSD and from December 2011 to 2013 or 2014 under the GSLP/Liberal administration.

This is a man who has demonstrated his impartiality and his ability to be impartial to a GSD administration and to a GSLP/Liberal administration, and so therefore his qualification as a civil servant enables him to understand the very system that he will be involved in looking at and showing is operating in the right way. Can that be done by somebody from outside the Civil Service? Absolutely it can be done: Henry Pinna did it very well. Can it be done by somebody who has less experience of the Civil Service? Absolutely it can be done: Mario Hook did it very well. Can it be done by somebody who has experience of the inner workings of the Civil Service? Well, arguably, it can be done better because he may be able to understand better what it is that needs to be fixed when a complaint comes in. The jury is out, but what is certainly not true and what we think is very uncharitable is the suggestion that he cannot do it because he has been a civil servant.

Mr Speaker, it is a good thing that Mr Llamas no longer sits with the GSD whip; otherwise, he might have something to say about it. If Mr Llamas were in the future to retire as a civil servant, is it that he can no longer ever make a fair decision about the Civil Service and whether they have acted properly or not?

Mr Reyes has been a teacher and in part a civil servant. Is he saying that civil servants are not able to make fair determinations about other civil servants and how to behave themselves? I am sure he is not, Mr Speaker. It is not Mr Reyes's style to take that judgemental approach against people, and yet that is what is happening in this case.

The hon. Members opposite are saying that they do not believe, or they are not prepared to have the confidence that Mr Dilip Dayaram Tirathdas will be able to impartially determine and

resolve disputes that people might have with the Civil Service. I will give them all a little bit of a lesson on how speakers are appointed in parliaments. In most parliaments, the speaker is taken from the benches of the parliament and the speaker sits in judgement over the implementation of the rules of the parliament fairly, even though he comes from one side or the other. Hon. Members may know that John Bercow, the current Speaker of the Parliament in Westminster, is a member of the Conservative Party elected as a Conservative Member of Parliament; he becomes the Speaker and Labour Members have the confidence that he is going to discharge his obligations.

In Gibraltar we have had a tradition of appointing individuals sometimes from outside the House, and in the case of Mr Speaker, somebody who was the Chief Minister and a member of the AACR. But we have also had instances of somebody being appointed Speaker who was not overtly political and did not have that experience but who had indicated his preference for a particular point of view: Mr Haresh Budhrani, Mr Speaker, who explained when he took the Chair that he had had a GSD sticker on his bumper.

Mr Speaker, we have to take people at face value and we have to expect that people will discharge their obligations. What makes it impossible for Dilip Dayaram Tirathdas to discharge his functions as Ombudsman simply because he has been a civil servant, and yet all hon. Members opposite are able to discharge their functions simply by dint of their election? I know that when they stood for election there were some who were left out of the slate who felt that they could do a better job than the seven who were elected – I can think of one in particular, Mr Speaker.

People actually do discharge their obligations. The theory of Members opposite, Mr Speaker – and I am talking about what is left of the official Opposition, the GSD ... The theory of what is left of the official Opposition in respect of the GSD is that nobody has integrity, nobody discharges their functions properly, the media just completely allow themselves to be ridden roughshod by the Government, everybody is lacking in integrity except them; the only people who do a fair job for a day's wage is them, everybody else is taking Gibraltar for a ride, has not got integrity etc.

Well, look, Mr Speaker, the success of this nation demonstrates that people go to work, do their jobs and discharge their functions and they put distance between themselves and their friends because we are a small community and they make fair determinations. And when they do not, there are mechanisms to deal with that because sometimes people just make mistakes, but not through a structural lack of integrity that only appointments by the GSD can fix – which is what the Hon. the Leader of the Opposition has suggested. I must tell hon. Members that by the standard that they are seeking to judge others they would have failed tremendously if they looked at the appointments that they made when they were in office in the application of those sorts of standards to the appointments they made to boards etc.

Therefore, Mr Speaker, the Government is very confident indeed that Dilip Dayaram Tirathdas is not just a jolly good fellow, he is not just a person who has rightly been honoured by Her Majesty the Queen by the recognition of a state honour for the work that he has done, he is not just rightly also a person appointed by the Chief Justice as a Justice of the Peace to sit in judgement over people, with the power, when he is sitting on the bench, to imprison people; he is absolutely the right person in this community today to be able to discharge the obligations of Ombudsman and resolve issues which might relate to maladministration as somebody who knows how the system works and will be able to assist claimants to fix problems when they arise.

Therefore, Mr Speaker, I deprecate the things that the hon. Member opposite has said and I commend the appointment of Mr Tirathdas to the House. *(Banging on desks)*

Mr Speaker: I now put the question in the terms of the motion proposed by the Hon. the Chief Minister. Those in favour? **(Members: Aye.)**

Hon. R M Clinton: Can we have a division?

Mr Speaker: There are eight Government Members present, two are absent, so there are eight votes in favour.

450 The Hon. Marlene Hassan?

Hon. Ms M D Hassan Nahon: Yes, in favour. Sorry, I haven't asked to speak, Mr Speaker.
(*Interjection by Hon. Chief Minister*)

455 **Mr Speaker:** How are you voting?

Hon. Ms M D Hassan Nahon: In favour.

Mr Speaker: In favour nine votes in favour.
460 The Hon. Lawrence Llamas.

Hon. L F Llamas: Mr Speaker, I shall be abstaining.

Mr Speaker: You are abstaining and the official Opposition are also abstaining.
465

Voting resulted as follows:

FOR	AGAINST	ABSTAIN	ABSENT
Hon. P J Balban	None	Hon. R M Clinton	Hon. Dr J E Cortes
Hon. J J Bossano		Hon. L F Llamas	Hon. D A Feetham
Hon. N F Costa		Hon. T N Hammond	Hon. S E Linares
Hon. Dr J J Garcia		Hon. E J Phillips	
Hon. Ms M D Hassan Nahon		Hon. E J Reyes	
Hon. A J Isola			
Hon. G H Licudi			
Hon. F R Picardo			
Hon. Miss S J Sacramento			

Mr Speaker: The motion is carried by 9 votes and 6 abstentions – (**Two Members:** Five.) five, sorry, yes, five. And there are, I should have said, two Members of the Government absent and one Member of the Opposition also absent, which explains five and not six.

PRIVATE MEMBER'S MOTION

Bill to amend Financial Services (Moneylending) Act – Leave to introduce not granted

470 **Clerk:** Private Member's Motion. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

Leave is requested of the House to introduce a Bill for an Act to amend the Financial Services (Moneylending) Act in the form attached so as to make provision for the Minister with responsibility for finance to publish in the Gazette details of moneylender licences in issue annually and also to publish notice of revocation and issue of new moneylending licences in the Gazette.

My motion, in seeking leave to amend the Financial Services (Moneylending) Act, is not one
475 that this House should have any particular difficulty with, since its objective, being to publish the
details of holders of moneylending licences, in fact already enjoys the implicit support of the
Chief Minister, who in December 2016 stated he was, and I quote, 'happy to consider making
provision to publish the list generally in future'.

Mr Speaker, we all recognise that the Financial Services (Moneylending) Act has its origin in
480 legislation and dates back a hundred years to 1917, and that, despite subsequent amendments,
it is still, in areas, perhaps out of date or lacking in respect of concepts of modern transparency
and disclosure.

This piece of legislation has, in recent years, become of increased public interest and
importance since the date the Government revealed that Credit Finance Ltd had been issued
485 with a moneylending licence, and yet to this day there is no official register where the public can
verify this information. Indeed, other Government-owned entities, such as Gibraltar Home Loans
Company Ltd, have also apparently been granted licences by the Chief Minister in his sole
discretion, which again cannot be independently verified.

Mr Speaker, the question of confidentiality or otherwise of a list of the moneylending licence
490 holders has indeed been discussed in this House for now well over a year. The Hon. Damon
Bossino raised it in Question 389/2015 in May 2015 and again subsequently in Question
442/2015 in June 2015, and I myself raised it in December 2016 in Question 921/2016. In answer
to all those questions the Chief Minister indicated that he was indeed open to the publication of
a list of licence holders, but that in the absence of specific provision to disclose, despite the
495 silence of the Act as to publication, he would not disclose the list openly to Parliament.

In my view, this is a nonsensical position for the Chief Minister to adopt, since under the
Moneylending Rules made under section 9 of the said same Act there is, in fact, a very specific
requirement for any applicant for a moneylending licence to advertise the fact in the Gazette.
And so it is patently absurd that the application for a licence has to be made public, and yet the
500 grant of a licence is not. If the application is of such public interest that it needs to be gazetted,
then so more should its granting.

Mr Speaker, the Chief Minister did, in December 2016, offer to discuss this matter with me
behind the Speaker's Chair as to how the list might be published. I politely declined this offer
because I could see no point in discussing a subject that was manifestly so simple to resolve and
505 I saw no advantage to the public interest to engage in discussions behind the Speaker's Chair.

Mr Speaker, it is subject matter so simple that the Chief Minister himself said in May 2015
that he would:

happily look into whether this should be something that can be provided for publicly in the future in this House or
even perhaps on a register which is maintained on a website. For some reason this is still done by the Ministry for
Finance, not by any other entity, but it is something that, at first blush, I agree with him – there is no reason why it
should not be made public.

Mr Speaker – and I wrote this speech some time ago – in two months, whenever that was ...
That was an exchange that happened in this House two years ago and yet nothing has been
510 done to address the matter.

I appreciate the Chief Minister and the Government are busy with Brexit and other matters,
and thus, in order to assist the business of this House, I have proposed this simple amendment
to the Act, which, if this House agrees, will modernise the Act and will settle the question of
disclosure once and for all.

515 Mr Speaker, it cannot be right that the public cannot see who has been granted and holds a
moneylending licence, or indeed whose licence has been revoked. It is a matter of public
interest.

I will be very surprised if the Government finds itself unable to support my motion as drafted,
but if they have some technical difficulty with the wording I have used, in this instance I am open

520 to them amending my draft Bill and motion as they see fit, providing of course that the overriding public interest principle of transparency and disclosure is met.

And so, Mr Speaker, for all the reasons I have just set out, I commend my motion to the House. *(Banging on desks)*

525 **Mr Speaker:** I now propose the question in the terms of the motion moved by the Hon. the Leader of the Opposition.

The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I am pleased that the hon. Gentleman has at least gone back and looked at what I said in 2015 and 2016, and that I gave him the opportunity to talk to me about how we might deal with this issue short of having to amend the legislation. I was of course going to remind him of that, given that he moved the motion without even the courtesy of a phone call or writing to me to say, 'Look, Fabian, I'm minded to do this in this way. Would this find support? Does this deal with the manner in the way that you might have felt, if I had taken you up in that discussion, that you could support?' He would have found, Mr Speaker, that my answer would have been that I do not support doing things in this way.

Mr Speaker, I am Minister for Finance and I have responsibility for signing these applications, they are vetted by the Financial Secretary, but of course it is also an area of relevance for the Minister for Financial Services. I have once again checked, just in case, but it has been confirmed to me that Mr Clinton has not raised the issue with the Minister for Financial Services, and you would have thought that if there was a genuine desire to act in a way that is in concert and in the interests of the community then a phone call would not have been amiss as an attempt to try and find a common way forward. Otherwise, one is left thinking that this is just an attempt to score a political point – a political point that may not have appeared relevant to Members when they were in Government. For 15 years they had the chance to change this Act. It would have been easy for them to do – they did not do so. Ah, but the Government has now taken moneylending licences – that is why it is relevant now. Is it, Mr Speaker? Is it relevant because the Government has taken moneylending licences? The Government has said when it is taking moneylending licences, has explained why it is taking moneylending licences and is probably the most generous when it comes to determining how to lend money and ensuring – of course, as long as that is secure – that loans should be granted in the parameters that have been explained to this House.

So the issue is really those others that have moneylending licences. It is true they have to advertise that they apply for moneylending licences. It is true. So there is no secret that people are holding moneylending licences, because they have to advertise for that, and so do those who apply for licences to the OFT – the old trading licences, as they used to be called – and yet there is not a list published of those who succeed to obtain licences, and that is exactly the same model that there is here.

I remain open to considering genuinely whether this is something that can be done in some way short of requiring a legislative change, but I am not going to be minded to agree to the Opposition driving the cart on this simply because they have decided that this is an issue that they want to pursue, whether it is Mr Bossino – who, from what one hears, might be one of the people who has decided to try and come back to the fray, although it is all about people coming out of the fray and coming back to the fray, as far as I can see – or he, now as Leader of the Opposition, decides that he wants to continue to promote this matter which he had dealt with before when he was not Leader of the Opposition.

What does it matter that the grant of licences is in the sole discretion of the Chief Minister? Or is he also imputing bad faith to the Chief Minister of Gibraltar when his identity changes on 9th December 2011? Because I will remind him that it was the people of Gibraltar who sacked the previous incumbent.

Mr Speaker, it makes very little sense even to do something potentially sensible in the way that he has done it, which is to present a motion to amend a Financial Services Act without speaking to the Minister for Financial Services or accepting the olive branch of the Chief Minister to have a discussion behind the Speaker's Chair. It really is quite something, Mr Speaker. I say to him, 'Let us discuss it,' and he says, 'I'm not interested in discussing it – you either do it my way or the highway.' That is what he says before he is Leader of the Opposition. That is the attitude he continues to take as Leader of the Opposition. Woe betide us if he ever becomes the Chief Minister of Gibraltar. Woe betide us! But that is the GSD way.

We saw St Peter ruling from St Peter's chair and now we are seeing Roy of the Rovers trying the same. *(Laughter)* It is incredible that at a time when we should be trying to work together on a simple issue like the Financial Services Act, but which can have consequences ... We should do a consultation with those who hold licences. My inclination, like his, as I have said repeatedly, is that we should publish a list, but to impose that without discussing it with those who hold licences is not the modern way of doing things. It is the GSD way of doing things: imposition of a view, despite an invitation to a discussion.

I remain of the view that this is something that potentially could be a good thing to do and perhaps should be done. I am convinced that this is not the right way to do it, and so I am afraid that the hon. Gentleman is not going to have support from this side of the House when it comes to his proposal. I do not think that the issues that he has raised in the context of his presentation of this motion advance matters any further.

The fact that Credit Finance Company Ltd has a moneylending licence is a matter disclosed by the Government and defended by the Government as a matter of policy, and publishing the name of Credit Finance Company Ltd on a list is not going to change that. It is not going to add to transparency; quite the opposite. We have been more transparent than they ever were about the workings of Government companies.

And so, Mr Speaker, the hon. Gentleman is going to find that his motion is not going to enjoy a fair wind. But I will say this: it is a pity that although he moved this motion when he was not Leader of the Opposition, he has decided to continue in this vein as Leader of the Opposition. I hope that as the warmer months kick in – some have called it the Silly Season – that he enjoys more than one glass of warm prosecco and reconsiders his style.

Mr Speaker: Does any other Member wish to speak on this motion?

I will then call upon the mover to reply.

Hon. R M Clinton: Mr Speaker, as those of us who love wine in this House will know, prosecco is best drunk cold, but the Chief Minister will have his own tastes for wine and how he wants to drink it.

Mr Speaker, all I have heard from the Chief Minister this afternoon is that he wants to vet everything that this side of the House presents to Parliament. It is our right to present motions to this House in any way, shape or form that we this side of the House determine is appropriate, and not that we have to phone the Chief Minister every time we have a motion we wish to present to this House that is, of course, valid with the Speaker's permission.

He raised a couple of interesting points and I am, of course, disappointed that he cannot see it in himself to relinquish the driving of a cart, as he so graphically puts it himself, in that he cannot let go of driving the cart for a minute to perhaps consider the wider public interest, which he himself admits – look, there is merit in publishing this list – but he just does not want the idea to be coming from the Opposition benches. Well, that is fine, Mr Speaker, I will let him take full credit for it. I will let him take full credit for any initiative in respect of publication of a register of moneylenders and I will leave the ball in his court. I certainly expect within the lifetime of this Parliament, as he is so fond of saying, to undertake this consultation with holders of moneylenders' licences, and at the end of that period – hopefully, by the end of this Parliament – find a method other than by legislation, which frankly I find hard to find any other

way of doing it. But of course he is the Chief Minister, he is the oracle, he will know better than I, a mere non-lawyer, as to how these things can best be done.

625 Mr Speaker, in the course of his intervention he actually raised perhaps a more important point which is tangential to my motion, and that is the question of public registers. He raised the example of the Office of Fair Trading, where people will apply for licences but there is no way of determining whether licences have been granted. Surely he should make that a matter of urgency to address that, because how else are the public to determine whether someone they
630 are dealing with is validly licensed?

Hon. A J Isola: Will the hon. Member give way?

Hon. R M Clinton: I will.

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Hon. A J Isola: Mr Speaker, the hon. Member should be aware that, by statute, any premises which is operated under a business licence is obliged by law to have that licence on show. So that is not really a comparable that he should be making.

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Hon. R M Clinton: Mr Speaker, I am grateful to the hon. Member for his intervention, but of course the –

Hon. Chief Minister: Will the hon. Gentleman give way?

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Hon. R M Clinton: No. *(Laughter)*

A Member: No, don't give way.

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Hon. Chief Minister: In that case he will be deprived of a method of implementation of the system that he is thinking of.

Hon. R M Clinton: Well, fair enough. He is free to do that as he pleases, Mr Speaker.

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The point I was going to make to the response of the Hon. Minister who has responsibility for small businesses is there are businesses that necessarily have business waivers and of course there is no way of looking up a name in a register to see are these individuals registered. Again, Mr Speaker, this is tangential to my original motion, but he does raise the point about public registers, which is what the Chief Minister was referring to, and I would urge the Government, if it is not doing so already, to consider this as part of a wider exercise to ensure full public transparency in any form of licence granting.

660

If you go and apply for an insurance licence or any other type of licence, you can quite easily go on to the website of the Financial Services Commission and look it up. You do not have to go to somebody's premises and say, 'Ah, look, there's a licence on the wall.' You can go and look it up quite easily. I am sure this will be something that perhaps the Government will consider in their e-Government programme, to ensure that everything that involves a licence is published.
665 But then again, Mr Speaker, I would not want the Chief Minister to feel that he was losing control of his cart.

670

Mr Speaker, he talked about the GSD imposing things on people, when nothing could be further from the truth. They are the New Dawn Government. Remember, they are the ones who were going to have more transparency than anyone else. Well, Mr Speaker, if they do have it, why haven't they introduced this yet? Why do we have to keep on reminding them to do it? Why is it the Chief Minister says, 'Oh, no, this is too difficult for me to do – I can't publish a list, it's far too difficult'? *(Interjection by Hon. Chief Minister)*

And so, Mr Speaker, there really is not much more for me to say, other than trying to speak louder than the Chief Minister when he is making his snide comments, **(Mr Speaker: Order.)** is

675 that the ball is fairly and squarely in his court and he can keep on driving the cart, but somehow it may overturn one day, Mr Speaker.

Thank you very much. (Interjection by Hon. Chief Minister)

Mr Speaker: I now put the question –

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Hon. R M Clinton: Mr Speaker, I will call for a division as well.

Mr Speaker: You are calling for a division. Very well.

I now put the question in the terms of the motion proposed by the Hon. the Leader of the
685 Opposition and we will now have a division.

A division was called for and voting resulted as follows:

FOR

Hon. R M Clinton
Hon. T N Hammond
Hon. Ms M D Hassan Nahon
Hon. L F Llamas
Hon. E J Phillips
Hon. E J Reyes

AGAINST

Hon. P J Balban
Hon. J J Bossano
Hon. N F Costa
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. F R Picardo
Hon. Miss S J Sacramento

ABSENT

Hon. Dr J E Cortes
Hon. D A Feetham
Hon. S E Linares

Mr Speaker: There are 3 Members absent, 6 have voted in favour, 8 against. The motion is defeated.

Hon. Chief Minister: Well, Mr Speaker, it has been a long session, a session which has
690 included the debate on the Appropriation.

If the hon. Gentleman had given way, I would even have shared with him an opportunity to have, during the course of the debate, asked me to look at section 9 of the Financial Services (Moneylending) Act, which allows the Chief Minister to make rules, without the need for changes in primary legislation, to do the things that he wanted.

695 I say that, Mr Speaker, as I start the process of wishing hon. Members a pleasant summer. I know for them it will be a very political time, but I do hope that all of us will be able to enjoy with our families a longer break, and that the musical chairs that we have seen on the other side do not lead to anyone else losing their chair and that we come back ready to work together for Gibraltar, that we come back ready perhaps to leave this behind us – a style of politics that has
700 not been in the interests of Gibraltar – where we are less bellicose and follow more often than not Mr Speaker's entreaties to work together in the best interests of our community.

I therefore now move, Mr Speaker, that the House do adjourn *sine die* and that, in keeping with the comment in the British newspapers, people do not enjoy more than one glass too many of warm prosecco, because that can lead to the leadership of a party changing even once again –
705 but I do not know whether they are reading the papers.

I move the House now adjourn *sine die*.

**Procedural –
Procedure re leave to introduce**

Mr Speaker: If I may, there is a point on which I would like Hon. Members to reflect on, particularly those who are hopefully someday to be involved in the resurrected Committee on Electoral, Political and Parliamentary Reform.

710 There is a fundamental difference between what happens here in this Parliament and what happens in the House of Commons when a Member seeks permission – or leave, shall I say – to introduce a Private Member's Bill.

715 In the House of Commons, because of the exigencies of the time element, and also because there is a separation of the office of Leader of the House and the Prime Minister, there is a Leader of the House who spends a great deal of time in the House of Commons and who is basically responsible for the agenda, for what Parliament discusses, and therefore any Member wishing to introduce a Private Member's Bill must ... It is not that they have to have the approval of the Government, no; what they do need is that the Leader of the House will make time available. If the Leader of the House does not make time available for a motion seeking leave to introduce a Private Member's Bill, then that cannot be done. Time is of the essence in the House.

720 Here, hon. Members have a great advantage in that all they need to do is to give notice of the motion, which if I, as Speaker, find is perfectly acceptable, then goes on to the political agenda. But the difference also is that in the UK it does not go on the agenda until the Leader of the House of Commons knows about it and has seen it, and the Government takes a view whether it is going to be proceeded with or not. Here, the difference is any Member – it does not have to be a Member of the Opposition ... There have been Members of the Government who have introduced – the Hon. Danny Feetham I think did so, asked leave of the House. But if you do not have the approval of the Chief Minister of the day – I do not mean, by that, agreement with the essence of it, but that it should go on the agenda – then it would not proceed.

730 So reflect on that. Consider whether if ever the Rules of the House are amended, how they should be amended. I would like them to reflect because it occurred to me that there is that difference. Here, the Chief Minister is also the Leader of the House. That is not the case in the House of Commons and that can introduce a divergence of procedure.

735 The House will now adjourn *sine die*.

The House adjourned at 4.26 p.m.