



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.35 p.m. – 8.03 p.m.

Gibraltar, Wednesday, 30th January 2019

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The Gibraltar Parliament

The Parliament met at 3.35 p.m.

[MR SPEAKER: Hon. A J Canepa CMG 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, Wednesday, 30th January 2019.

Order of Proceedings: (i) Oath of Allegiance; (ii) Confirmation of Minutes – the Minutes of the last meeting of Parliament, which was held on 20th September, 18th October, 8th and 22nd November, and 6th, 14th, 20th and 21st December 2018.

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

Mr Speaker signed the Minutes.

COMMUNICATION FROM THE CHAIR

Request re disclosure of financial information of wholly owned Government companies – Ruling by Mr Speaker

Clerk: (iii) Communications from the Chair.

Mr Speaker: On 13th September 2018 the Hon. Roy Clinton wrote to me requesting that I make a ruling to compel the Government to disclose financial information regarding wholly owned Government companies.

The nub of the argument put forward by Mr Clinton is that it is in the public interest for the financial information in question – in particular, full accounts – to be disclosed. There is another argument, which is that this financial information is received and held by the Government ‘in accordance with its constitutional and public duties and that they are answerable to Parliament in respect of that information’.

In my view, there is no clear basis for the Speaker to make the requested ruling. The underlying reason for my conclusion has to do with the Speaker’s role, which is to chair the proceedings of Parliament and to ensure that parliamentary procedure is followed in accordance with Standing Orders. Specifically, as regards the public interest, the question as to who decides what is in the public interest is a substantive one for politicians, particularly the Government of

25 the day, and not for the Speaker to decide. It is my considered view that the Speaker would be overreaching his position were he to make such a ruling, since the public interest is ultimately to be determined by the Crown on the advice of Ministers.

As regards the Government's accountability to Parliament, there can be no questions that Ministers are responsible to Parliament for the conduct of their Ministry and for the Government as a whole. Ministerial responsibility is central to the parliamentary system because it ensures the accountability of the Government to the legislature and thus ultimately to the people.

However true this may be as a general proposition, the accountability of companies with separate legal personality, boards of directors, accounts etc., is a distinct matter, except of course to the extent that a Minister may himself be a director of one of these companies or is responsible for its day-to-day operations. Even here, however, it is not clear that it is for the Speaker to compel disclosure of full financial information.

PETITIONS

Clerk: (iv) Petitions – the Hon. Dr J E Cortes.

40 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):** Mr Speaker, on behalf of the Hon. A J Isola, I beg to move that the Petition standing in his name, signed by 102 persons, be laid on the table.

As I do so, Mr Speaker, in order to clarify, we were informed by the Clerk to the House that this Petition can only be submitted by one Member. It was the intention to have this presented jointly by Minister Isola and the Hon. Daniel Feetham. As this has not been possible, I am presenting it on behalf of Minister Isola but acknowledge the support for the filing of the Petition by the Hon. Mr Feetham.

Mr Speaker: Ordered to lie.

Standing Order 7(1) suspended to proceed with Government Bills

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

Chief Minister (Hon. F R Picardo): Mr Speaker, before I move the suspension of Standing Orders, may I thank all Members of the Parliament and you for the sensitive way in which you dealt with my failure to attend the last meeting of last year and the kindnesses and remarks which have been extended to me and my family by all Members of the House.

Mr Speaker, I beg to move, under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with Government Bills.

60 **Mr Speaker:** I now move the suspension of Standing Orders as explained by the Chief Minister. Those in favour? (**Members:** Aye.) Those against? Carried.

I also want to confirm that the two Bills which are on today's Agenda have both been certified as being urgent.

Order of the Day

BILLS

FIRST AND SECOND READING

Parliament (Amendment) Bill 2018 – First Reading approved

Clerk: Bills – First and Second Reading.

65 A Bill for an Act to amend the provisions of the Parliament Act to provide for an open register
of electors.

The Hon. the Deputy Chief Minister.

Deputy Chief Minister (Hon. Dr J J Garcia): I have the honour to move that a Bill for an Act to
70 amend the provisions of the Parliament Act to provide for an open register of electors be read a
first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the provisions of
the Parliament Act to provide for an open register of electors be read a first time. Those in
75 favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Parliament (Amendment) Act 2019.

Parliament (Amendment) Bill 2018 – Second Reading – Debate commenced

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I have the honour to move that a Bill
to amend the provisions of the Parliament Act 1950 to provide for an open register of electors
be read a second time.

80 The Bill before the House today was first published as a Command Paper on 5th December
2018. This followed consultation between the Clerk of the Parliament, the Government, the
Opposition and the independent Member. I am moving the Bill today on behalf of the
Government but against the background that there is a consensus already across all sides in this
House.

85 There was, Mr Speaker, one response to the Command Paper.

The Chief Minister, as you say, has certified the Bill as urgent on the advice of the Clerk to the
Parliament, given that a canvass for a new register needs to happen soon.

The procedure for compiling a register of electors to the Gibraltar Parliament has been in
need of modernisation for a very long time. The House will have noticed that we are amending
90 an act that dates back to 1950. The problems that we seek to address are the complaints made
by people after a General Election that they were not on the register and were unable to
exercise their right to vote. It is true that every time the window is open for electoral
registration this process is given widespread publicity. The media, both traditional and
electronic, is used to make the point that the register is open and that people should check and
95 make sure that they are on it. A house-to-house canvass is also conducted and forms are sent to
all households in Gibraltar. This leads to the production of a draft register of electors. There is

then a narrow window of two weeks during which voters can check whether they are in the register or not. The register is then closed at the end of this period and nobody else may be added to it, even though the election could still be months away. Mr Speaker, despite the informational campaign that is conducted every time that a new register is in the pipeline, the problem continues of people who are entitled to be in it failing to include themselves in the register.

It was the inclusion of Gibraltar in the franchise for European elections that laid bare the sharp contrast between the compilation of this European register and the one for elections to the Gibraltar Parliament. The procedure for European elections is that the open or rolling register can be amended or updated at any time during its existence. The Government takes the view that the right of an eligible person to register to vote should be the paramount factor when the register of electors is being compiled and that this right should not be curtailed by administrative considerations.

The Bill before this House today provides for a canvass when you register to reproduce this year in 2019. This would have happened anyway under the existing system. However, when this new register is published in June it will continue to be open until five days before the date of a General Election. This is new. In the past, as I said, the register would be closed in June and if the election took place six months later and an eligible voter was not on the register, then they could not vote. The narrow two-week period for inclusion between the publication of the draft register and publication of the new register will be eliminated if the House approves the Bill. There will now be more time for voters to register or indeed to amend their details if, for example, they have changed their address or any other relevant circumstances.

The Bill also adopts the system of proxy voting which is used for European elections. In order to register as a proxy, a voter must be 18 years old or over and be included in the register. This means that voters will continue to be able to vote in person by proxy or by post. The roving ballot box will be maintained.

I will now move to explain the technical details of the legislation.

Clause 1 sets out the short title to the Bill.

Clause 2 states that the Act will commence on the date of publication.

Clause 3 amends the Parliament Act with the following new provisions.

It allows for a person who has not attained the age of 18 and/or not complied with the qualifying-period requirements at the time of registration to register and to be able to vote if those requirements are met before election day.

It empowers the registration officer to require the applicant applying for registration to provide documentation and proof to show that the applicant has lived in Gibraltar during the whole of the qualifying period.

It sets out that, to be included in the register, an applicant must have been continuously living in Gibraltar for a period of not less than six months prior to the date on which this application for registration in the register of electors is received by the registration officer.

Section 5(1) of the Act is amended so as to enable the registration officer to publish a register of electors by no later than 1st June 2019, which register shall come into force upon publication.

Section 5(1) is further amended by giving the registration officer, after the register has been published on 1st June, the power to register applicants who are entitled to be registered or change the particulars of those who are already in the register.

Section 5(2) provides for consequential amendments which permit the registration officer to canvass for the purposes of compiling the register of electors to be published in June 2019.

Section 5 is further amended by the insertion of a new section 5(3) that provides for the registration officer to prepare and publish on or before 1st June each year a register of electors. That register shall include all additions to and changes of particulars made to the register of electors during the period from and including the date on which the register was previously published to the date of the next publication of the register.

Section 6 of the Act is substituted by the new section 6 that provides for the maintenance of the register.

150 Section 19 provides for a consequential amendment as a result of having an open register.

Section 25 is amended by the insertion of a new subclause (ec) to enable persons wishing to vote by proxy to appoint a proxy and prescribing the forms and procedure for proxy voting.

Section 48 is amended so as to extend applicable criminal sanctions for individuals who interfere with voters to include proxy voters.

155 Mr Speaker, the proposed amendments to the Parliament Act take advantage of what we have learnt from holding European elections in Gibraltar. In this sense, it will be a lasting legacy of our participation in European elections as we now prepare to leave the European Union.

160 The Bill also furthers the democratic agenda by removing administrative burdens and providing safeguards to ensure that those people who are entitled to vote are able to register in order to exercise this fundamental right.

Mr Speaker, I close by thanking the Clerk of the House Paul Martinez, the Opposition and the independent Member for their constructive approach during the consultation process.

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 this Bill? The Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, this Bill will enjoy the support of Her Majesty's Opposition and is, in our view, a fine example of the Government and Opposition working together.

170 My thanks, of course, and I echo the thanks delivered by the Hon. Deputy Chief Minister in respect of the work done by the Clerk of the Parliament, Paul Martinez and his staff Frances, Kevin and Danny, who have co-ordinated the consultation process over these important changes in the way in which our people can register to vote. We are grateful for them organising such meetings. We have had about three in total, I believe, and I am grateful to the Parliament staff for organising those.

175 Mr Speaker, the introduction of a rolling register of electors was introduced by statute in the United Kingdom via the Representation of the Peoples Act 2000 and we are pleased to see a move towards modernising a process which will allow as many people who are entitled to vote to register themselves accordingly.

180 We note that this amendment in large measure adopts recommendation 21 of the Commission on Democratic and Political Reform, the report of which was published some six years ago now. I believe that it is right, Mr Speaker, to thank you, in your capacity of chairperson of the Commission, and other members of the commission for their considerations on this particular aspect which serves as an important record of the development of our electoral system. I am sure, Mr Speaker, there will be further opportunities to debate some of the other recommendations made in your report in due course.

I am grateful. (*Banging on desks*)

190 **Mr Speaker:** Does any other hon. Member wish to speak on the general principles and merits of this Bill? I call upon the mover to reply, then.

I now put the question, which is that a Bill for an Act to amend the provisions of the Parliament Act to provide for an open register of electors be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

195 **Clerk:** The Parliament (Amendment) Act 2019.

**Parliament (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

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

**European Union (Withdrawal) Bill 2018 –
First Reading approved**

205 **Clerk:** A Bill for an Act to provide for the repeal of the European Communities Act, to repeal section 23(g) of the Interpretation and General Clauses Act, to provide for the continuing validity of legislation passed or made for the purposes of complying with any obligation arising out of Gibraltar's membership of the European Union, to repeal the European Parliamentary Elections Act; to provide for the continuation and validity of any administrative act or decision made pursuant to such obligation, and to provide, by way of subsidiary legislation, powers to amend, repeal or replace any enactment which was made, whether primarily or otherwise for or in connection with any such European Union obligations, to make such consequential amendments relating to membership of the European Economic Area; to provide such transitional or other provisions as are deemed necessary, and for connected purposes.

210 The Hon. the Deputy Chief Minister.

215 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, I have the honour to move that a Bill for the purposes set out by the Clerk be read a first time. (*Laughter*)

Mr Speaker: I will read out the long title – I think the Hon. Sir Joe Bossano will agree with me it is probably the longest title since 1972!

220 I now put the question, which is that a Bill for an Act to provide for the repeal of the European Communities Act, to repeal section 23(g) of the Interpretation and General Clauses Act, to provide for the continuing validity of legislation passed or made for the purposes of complying with any obligation arising out of Gibraltar's membership of the European Union, to repeal the European Parliamentary Elections Act; to provide for the continuation and validity of any administrative act or decision made pursuant to such an obligation, and to provide, by way of subsidiary legislation, powers to amend, repeal or replace any enactment which was made, whether primarily or otherwise for or in connection with any such European Union obligations, to make such consequential amendments relating to membership of the European Economic Area; to provide such transitional or other provisions as are deemed necessary, and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against?

230

Clerk: The European Union Withdrawal Act 2018.

**European Union (Withdrawal) Bill 2018 –
Second Reading –
Debate commenced**

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I have the honour to move that the Bill now be read a second time.

235 I want to start by placing on record the thanks of the Government to the Attorney General, Michael Llamas, and to the legal team headed by Paul Peralta – and the team behind me – for the huge amount of work that has gone into this Bill. I also want to thank them for the informative presentation that they delivered to the Brexit Select Committee of this Parliament on this subject on Monday.

240 The Bill before the House today was first published as a Command Paper on 27th November 2018. There were no comments received and no questions asked in response to this consultation. The Bill was then published on 20th December 2018.

245 The Chief Minister has certified the Bill as urgent. This shortens the period of time for consideration of the Bill before it can be taken by this House. However, in practice, this reduction has had little effect, given that the standard six weeks would have been up in a day or two anyway. The reality is that, from the publication of the Command Paper until today, the contents of the Bill have already been in the public domain for about nine weeks. This provides ample time in which to consider its terms, and in any case more time than the standard six weeks.

250 Mr Speaker, this Bill follows the approach of the United Kingdom's European Union (Withdrawal) Act. It repeals our European Communities Act on the day the United Kingdom and Gibraltar leave the European Union. It ends the supremacy of European Union (EU) law in Gibraltar. It converts EU law as it stands at the moment of exit into domestic Gibraltar legislation. It also creates the power to make subsidiary legislation to enable corrections to be made to those laws that would otherwise no longer operate appropriately once we leave the European Union. This will allow our domestic legal system to continue to function correctly outside the EU.

260 In presenting the Bill on behalf of the Government, I do so with mixed feelings. In the first instance, as an avowed pro-European, this is obviously the cause of considerable personal and political pain. I still recall when my hon. Friend the Chief Minister and I first travelled to Brussels to visit the European institutions together. This was at a time when he was still a student and when neither of us were in this House. That visit sowed the seeds for the policy of taking Gibraltar closer to Europe and bringing Europe closer to Gibraltar. Who would have said then that, following a well-known chain of events, we would now find ourselves in a position where we are taking Gibraltar out of the European Union instead?

265 Europe has had a profound effect on all our lives in one way or another. It has shaped the Gibraltar we know today. It has dominated the legislative agenda of this Parliament. It has placed the EU stamp on our passports, our identity cards, our health cards, our driving licences and other documents. Everyone in Gibraltar will have been impacted by the EU in one way or another. It is no surprise that the complexity of the process that we embark upon today has rightly been described as trying to remove the egg from a cake after baking it.

270 Part of that cake to be undone covers elections to the European Parliament. We legislated last year to remove the legal trigger which stipulated the commencement of a canvass for a register for European elections. Our departure from the EU at the end of March means that no more UK MEPs will be elected. We will lose an important voice in the European Parliament. Those six MEPs for the combined region of the South West and Gibraltar had helped to raise our profile.

Gibraltar has also raised its profile in Brussels over the years in other ways. The Government upgraded our representative office there. We engaged Sir Graham Watson to head it and transferred Daniel D'Amato there as Legal Officer. The role of the office has proved to be

280 invaluable almost from the moment it opened. It has assumed even greater importance in the
context of our planned departure from the EU. Meetings between Gibraltar Ministers and
European Commissioners, which were the exception, soon became the norm. We have engaged
with the top players from the different political groups in the European Parliament. We have
285 met countless committee chairs and addressed committees of the Parliament and its political
groups. Indeed, with the force of our arguments, we have been able to win votes in the
European Parliament and in its committees.

Mr Speaker, the House will recall the campaign that was organised to counter the Margallo
delays at the border. Together with the United Kingdom and on the back of hundreds of
complaints from EU nationals, we embarrassed the European Commission into making
290 inspection visits to the Gibraltar-Spain Frontier for the first time. After many years in this
business, my view is that Gibraltar had slowly started to turn the tide. Much of this work was
played out in public, but some of the work, a considerable part of it, has been conducted behind
the scenes and away from the glare of publicity.

In the wider scheme of things, it was all going in the right political direction, and then
295 17 million voters in the United Kingdom decided that their future, and ours, lay outside the
European Union.

I said in my opening remarks that I stand here today with mixed feelings. This is because the
European Union is far from perfect. There are well-known instances where the European
institutions have let Gibraltar down, all of them: the Court, the Commission, the Council and the
300 Parliament. This started when Spain joined the European Community in 1986. The Commission
often abandoned its role as the guardian of the Treaties when it came to considering Gibraltar.
They have looked the other way instead of applying EU law to a territory of the Union and to
citizens of the Union here. Our rights have had to be fought for every inch of the way, both at a
political level and even in court. More recently, the inclusion of clause 24 in the negotiating
305 guidelines of the Council came as an underhand blow to a country that had voted 96% to remain
in the EU. It was a slap in the face to thousands of enthusiastic Europeans in this small corner of
the EU. So, yes, the EU has let us down. They have allowed Spain to abuse its position as they
sought to advance their anachronistic claim to our sovereignty. Looking forward, the UK is a
member state that is leaving and Spain is a member state that remains. We all know what that
310 will mean.

In spite of all this, we also know where the best interests of Gibraltar would lie. The Chief
Minister has already said that the best outcome for us would have been for the UK to revoke
Article 50. The consequence of that would have been that the United Kingdom and Gibraltar
remain in the European Union with our existing terms of membership. Effectively, we would turn
315 the clock back to before the 2016 Referendum and continue from where we had left off, almost
as if we had woken up from a bad dream. But the vote was a vote to leave and we have to work
towards an orderly, sensible and well-managed Brexit.

It is impossible to say what will happen next. The votes in the House of Commons last night
have swung the pendulum back in the direction of the Withdrawal Agreement. However, the
320 United Kingdom political and parliamentary life has never been so unpredictable. We do know
that we have to prepare for every eventuality of Brexit. That is why this EU Withdrawal Bill
comes before Parliament today. This legislation will apply whether we leave the European Union
with a Withdrawal Agreement in place or whether there is a no-deal Brexit.

The main purpose of the Bill, as I said earlier, is to provide a functioning statute book on the
325 day the UK and Gibraltar leave the EU. As a general rule, the same legal framework will apply the
day after exit as applied the day before. This means, to recap, that the Bill performs three main
functions: it repeals the European Communities Act; it converts EU law as it stands at the
moment of exit into domestic law before the UK leaves the EU; and it creates powers to make
subsidiary legislation to enable corrections to be made to the laws that would otherwise no
330 longer operate appropriately once Gibraltar has left the EU.

Mr Speaker, I will now turn to a clause-by-clause analysis of the Bill, which will be helpful to hon. Members before we move on to the Committee Stage. I will be doing this in considerable detail in order to assist Members opposite and also to make clear the intention of the Government in relation to each particular clause, so I ask the House to bear with me.

335 Clause 2 sets out the provisions of the Bill that will commence on the day of publication. The remaining provisions will come into force on the day or days appointed by the Chief Minister by notice in the Gazette, and different days may be appointed for different provisions and for different purposes. The United Kingdom have already commenced certain sections of their Act by way of subsidiary legislation and so we have therefore added these to our own
340 commencement section.

Clause 3 defines certain terms used throughout the Bill and makes further provision about the meaning of references to exit day.

Subclauses (3) and (4) allow the Chief Minister by regulations to amend the definition of 'exit day' if the day or time at which the Treaties are to cease to apply to the UK and Gibraltar is
345 different from that specified in the definition of exit day in subclause (1).

Subclause (5) defines 'the Treaties'.

Subclause (6) provides that references to Gibraltar's membership of the EU are to be construed in the context of the UK's membership of the EU and Gibraltar's status as a European territory for whose external relations the UK is responsible.

350 Subclause (7) provides that references in the Bill to matters which continue to be domestic law include matters which would have continued to exist regardless of the saving in clause 5. This makes clear that it is not necessary to consider whether an enactment might have been subject to implied repeal as a result of the repeal of the European Communities Act in order to bring it within the ambit of clause 5 and therefore the definition of 'retained EU law'.

355 Subclause (8) provides that references to retained EU law brought in by clause 7 include any modifications which may be made to that law from time to time.

Subclause (9) provides that any reference in the Bill to the former Article 34(2)(c) of the TEU, which concerned decisions in the field of police and judicial co-operation in criminal matters, is a reference to that Article as it applied before the Lisbon Treaty. It is necessary to include these
360 references in the Bill to ensure that it accurately reflects the legal basis for these measures.

Subclause (10) provides that references in the Bill to certain provisions of the TEU and TFEU include references to those provisions as they apply to the Euratom Treaty.

Subclause (11) lists various expressions used throughout the Act and the corresponding provision at which their meaning is located.

365 Clause 4 repeals the European Communities Act and section 23(g) of the Interpretation and General Clauses Act on exit day. The House knows that the European Communities Act is the principal piece of domestic legislation which gives effect to EU law and which gives EU law supremacy over Gibraltar law. The main effects of repealing the Act are to reflect the end of the supremacy of EU law in our domestic legislation. We are also removing the mechanism which
370 enable the flow of new EU law into Gibraltar law. This clause also repeals section 23(g) as this is the section most relied on in Gibraltar to transpose EU directives and also to give effect to EU regulations and decisions.

Clause 5 provides that existing domestic legislation which implements EU law obligations – EU-derived domestic legislation – remains on the domestic statute book after Gibraltar leaves
375 the European Union. Generally, subsidiary legislation lapses automatically when the primary legislation under which it is made ceases to have effect, unless saved expressly. Although section 34 of our Interpretation and General Clauses Act saves any subsidiary legislation where the Act or part of an Act is repealed, this section only operates unless a contrary intention appears. It is arguable that repealing the European Communities Act demonstrates a contrary
380 intention – i.e. the intention of revoking all subsidiary laws made in pursuance of our obligations under the EU. It would therefore not be appropriate to rely on this section and is necessary to preserve the necessary legislation for the avoidance of doubt.

This clause is also necessary because there would be doubt as to whether legislation which presupposes membership of the EU would work if the UK is not a member of the EU. The same applies for legislation which relates or refers to the European Union itself.

This clause also makes it clear that those categories of legislation which fall within the category of retained EU law, so that the powers of the Bill can be used to ensure that they still function properly after EU exit.

Subclause (1) provides that EU-derived domestic legislation will remain in place and continue to have effect on and after exit day as it has effect before exit day.

Subclause (2) describes the type of legislation which forms part of this term 'EU-derived domestic legislation' or 'preserved legislation'.

Subclause (3) provides that the preservation of retained EU legislation is subject to the exceptions in clause 8 and Schedule 1.

Mr Speaker, I move on now to clause 6. Direct EU legislation does not form part of our legal system in the same way as domestic legislation. It is given legal effect by section 3(1) of the European Communities Act, which describes how such legislation is to have effect 'in accordance with the Treaties'. This legal order is possible because the UK and Gibraltar are a part of the EU and subject to those Treaties. Upon exit, we will no longer be bound by the Treaties and so EU legislation can no longer have effect in accordance with them.

Subclause (1) provides for the conversion into domestic law of direct EU legislation. The conversion is subject to the measure being operative immediately before exit day. Where legislation is converted under this clause, it is the text of the legislation itself which will form part of domestic legislation.

Subclause (2) describes the types of legislation which form part of this 'direct EU legislation'. These are essentially EU regulations, certain EU decisions and EU tertiary legislation. Under this clause, direct EU legislation is only converted and incorporated into domestic law 'so far as operative immediately before exit day'. It therefore does not include measures that did not apply to Gibraltar immediately before exit day.

Sub-clause (3) clarifies what 'operative' means.

Sub-clause (4) clarifies that this clause would only convert the English language version of existing direct EU legislation into domestic law.

Sub-clause (5) provides that the saving of direct EU legislation is subject to the exceptions contained in clause 8 and Schedule 1.

Clause 7 ensures that any remaining EU rights and obligations which do not fall within clauses 5 and 6 continue to be recognised and available in domestic law after exit. This includes, for example, directly effective rights contained within EU Treaties. Any directly effective rights converted into domestic law as a result of this clause would be subject to amendments or repeal via subsidiary legislation made under clause 11.

Subclause (2) sets out exceptions to the conversion under subclause (1). Firstly, it provides that the clause does not bring in any rights, powers etc. if they already form part of domestic law by virtue of clause 6. Secondly, the clause excludes directly effective rights arising under an EU directive that are not of a kind recognised by a court or tribunal before exit day.

Subclause (3) clarifies that this clause is also subject to the exceptions in clause 8 and Schedule 1.

Mr Speaker, clause 8 sets out two exceptions to the saving and incorporation of EU law provided in clauses 5, 6 and 7. The first exception is the principle of the supremacy of EU law. The principle of supremacy of EU law means that domestic law must give way if it is inconsistent with EU law. In the UK and in Gibraltar this can mean that a court must disapply an Act of Parliament, or a rule of common law, or strike down subsidiary legislation, even if the domestic law was made after the relevant EU law.

The effect of subclauses (1) and (2) is that this principle will not apply to legislation which is passed on, or made on or after exit day. So, for example, if an Act is passed on or after exit day

which is inconsistent with EU law which is preserved or converted by the Bill – for example, a retained EU regulation – that new Act of Parliament will take precedence.

Where, however, a conflict arises between pre-exit domestic legislation and retained EU law, subclause (2) provides that the principle of supremacy of EU law will, where relevant, continue to apply as it did before exit. So, for example, a retained EU regulation would take precedence over pre-exit domestic legislation that is inconsistent with it.

Subclause (3) sets out that the principle of supremacy can continue to apply to pre-exit law which is amended on or after exit day where that accords with the intention of the modifications.

The second exception is the Charter of Fundamental Rights. The Charter, according to the UK's own Explanatory Notes, did not create new rights, but rather codified rights and principles which already existed in EU law. Therefore, by converting the EU acquis into domestic law, those underlying rights and principles will also be converted into domestic law, as provided for in this Bill. References to the Charter in the domestic and CJEU case law, which is being retained, are to be read as if they referred to the corresponding fundamental rights.

Subclause (5) makes clear that whilst the Charter will not form part of domestic law after exit, this does not remove any underlying fundamental rights or principles which exist. EU law which is converted will continue to be interpreted in the light of those underlying rights and principles.

Subclause (6) provides that further limited exceptions to the preservation and conversion of EU law have effect as set out in Schedule 1.

Now clause 9, Mr Speaker. This sets out how retained EU law is to be read and interpreted on and after exit day.

Subclauses (1) and (2) set out the relationship between the CJEU and domestic courts and tribunals after exit. These subclauses provide that: (1) decisions of the CJEU made after exit day will not be binding on domestic courts and tribunals; (2) domestic courts cannot refer cases to the CJEU on or after exit day; and (3) domestic courts and tribunals are able to have regard to actions of the EU taken post-exit, including CJEU decisions, where they are relevant to any matter the court or tribunal is considering. This ability, however, is limited by the other provisions in this clause. So, for example, although a court may have regard to post-exit CJEU decisions, it cannot have regard to such an extent as it considers itself to be bound by them. This is ruled out in subclause (1).

Subclause (3) provides that any question as to the meaning of unmodified retained EU law will be determined in Gibraltar courts in accordance with the relevant pre-exit CJEU case law and general principles.

Clauses (4) and (5) set out that, unlike other courts, the Privy Council are not bound by either retained general principles or retained CJEU case law. After exit day, retained CJEU case law will have the same binding or precedent status in domestic law and tribunals as existing decisions of the Privy Council. This means that the Privy Council will be able to choose to depart from previous CJEU case law, if it so determines. In doing so, the Privy Council is required to apply the same tests as they would apply when considering whether to depart from their own previous decisions.

Subclause (6) sets out that retained EU law which has been amended on or after exit day can be determined in accordance with CJEU case law and the general principles where that accords with the intention of the amendments.

Subclause (7) provides definitions of the terminology relevant to this clause.

Mr Speaker, clause 10 makes provision about the status of retained EU law.

Subclause (1) clarifies that EU-derived domestic legislation which is saved by clause 5 will continue as legislation of the same type as it was before exit day.

Subclauses (2) to (4) restrict the way in which retained EU law brought in by clauses 6 and 7 can be amended by primary and subsidiary legislation. In summary, it broadly provides that such law can be amended by: Acts of Parliament; powers to make subsidiary legislation which explicitly or implicitly provide that they may amend such law, which includes the powers in

clauses 11, 12 and 15 of this Bill; and powers to make subsidiary legislation which may amend such law by virtue of the glosses in paragraphs 3 to 6 or 8 to 10 of Schedule 4.

Subclause (5) signposts provisions about the status of retained EU law in other provisions of the Act.

490 Subclause (6) provides the following definitions, which divide retained direct EU legislation brought in by clauses 6 and 7 into two categories for the purposes of amendability. This first is retained direct minor EU legislation, which broadly covers EU tertiary legislation and EU decisions. The second is retained direct principal EU legislation, which broadly covers EU regulations which are not also EU tertiary legislation.

495 Clause 11, Mr Speaker, gives a Minister the power to make regulations to deal with problems that would arise on exit in retained EU law. This includes the law that is preserved and converted by clauses 5 to 8. Those problems or deficiencies must arise from Gibraltar's withdrawal from the European Union.

500 Subclause (2) lists the sorts of deficiencies that the power can deal with. These include: provisions that have no practical application after Gibraltar leaves the EU; provisions on functions that are currently being carried out in the EU on the UK and consequently on Gibraltar's behalf – for example, an EU Agency; provisions on reciprocal arrangements or rights between the UK and Gibraltar and other EU member states that are no longer in place or are no longer appropriate; any other arrangements or rights, including through EU treaties, that are no longer in place or no longer appropriate; and EU references that are no longer appropriate.

505 Subclause (3) also provides that deficiencies not on the list but which are of a similar kind to those on the list in subclause (2) are within the scope of the correcting power. Subclause (3) also contains a delegated power for the Minister to provide for additional sorts of deficiencies.

510 Subclause (4) provides that the retained EU law in Gibraltar is not deficient just because the EU subsequently makes changes to that law after Gibraltar has left, or planned changes come into effect after our exit.

515 I repeat: the law is being preserved and converted as it was immediately before exit day. The EU might go on to make changes to its law but those subsequent changes and the consequent divergence between Gibraltar and EU law do not by themselves automatically make Gibraltar law deficient.

Subclause (5) provides that subsidiary legislation made under the power in this clause can do anything an Act of Parliament might do to deal with deficiencies. This could include altering Acts of Parliament where appropriate.

520 Subclause (6) provides, non-exhaustively, for what the subsidiary legislation made under this power can do. For example, it can transfer the functions of EU authorities to a public authority in Gibraltar. These functions might include the ability to set rules or create standards, which are currently made by the EU as non-legislative acts – delegated and implementing acts. The powers can be used to repeal, amend or replace Acts of the retained law.

525 Subclause (7) provides that the meaning of deficiency can cover a deficiency that arises out of withdrawal taken together with the operation of, or integration between, provisions of the Bill or provisions made under the Bill.

530 Mr Speaker, clause 12 gives a Minister the power to make subsidiary legislation to implement a withdrawal agreement concluded between the UK and the EU. I should clarify that this provision is also present in the UK legislation. It serves purely and simply as a safety mechanism in case there is no time to introduce a separate Withdrawal Agreement Act, which remains the intention and the preferred option of the Government. Clearly, this provision would not apply in the event of a so-called no deal Brexit.

535 Subclause (1) provides a Minister with the power to make legislative changes for the purposes of implementing a withdrawal agreement. Regulations made using this power are restricted to implementing only those measures that should be in place for exit day and this power is not intended to be used for post-exit modifications.

Subclause (2) provides that subsidiary legislation made under the power in this clause is capable of doing anything an Act of Parliament can do, including modifying the Bill itself, subject to the restrictions specified in subclause (3).

540 Clause 13 gives effect to Schedule 2 on rules of evidence for retained EU law and other relevant documents and instruments.

Clause 14 gives effect to Schedule 3 on how the powers to make regulations in the Bill are exercisable.

545 Clause 15 allows the Minister to make regulations which are appropriate as a consequence of the Bill.

Subclause (2) clarifies that consequential provision might include modifying – such as amending, repealing or revoking – both primary and secondary legislation.

Subclause (3) gives effect to Parts 1 and 2 of Schedule 4, which contain consequential provisions.

550 Subclause (4) contains a power to provide for transitional provisions by regulations.

Subclause (5) gives effect to Parts 3 and 4 of Schedule 4, which contain transitional, transitory and saving provisions.

555 Clause 16 makes clear that nothing in this Bill prevents Gibraltar from replicating in domestic law any EU law made on or after exit day, or continuing to participate in, or have a formal relationship with, the agencies of the EU after exit day.

The Bill does nothing to restrict Gibraltar in relation to its future relationship with EU law or with EU agencies. This means that this clause does not affect how this Act or any other law operates.

560 Mr Speaker, Schedule 1 sets out some further exceptions to the preservation and conservation of EU law provided for under clauses 5, 6 and 7. This Schedule should be read together with paragraphs 13 to 15 of Part 4 of Schedule 4.

Paragraph 1 provides that, post-exit, no challenge can be brought in the courts to retained EU law on the basis that immediately before exit day an EU instrument – for example, an EU regulation or decision – was invalid.

565 This restriction is, however, subject to the exceptions at subparagraphs (2) and (3). First, any decision of the CJEU which predates exit day about the validity of the instrument will not be affected. Secondly, the Government or a Minister has the power to describe in regulations types of challenge to validity which will be capable of being brought on or after exit day. Subparagraph (3) provides that any such regulations may enable challenges which, prior to exit, would have proceeded against an EU institution to proceed instead against a public authority following exit.

Paragraph 2 provides that only EU general principles which have been recognised in CJEU cases decided before exit will form part of domestic law after exit. These include, for example, fundamental rights, non-retroactivity, and proportionality.

575 Paragraph 3 provides that there is no right of action in domestic law post-exit based on failure to comply with EU general principles. Further, domestic courts will not be able to rule that a particular act was unlawful or quash any action taken on the basis that it was not compatible with the general principles. Courts will, however, be required under clause 9 to interpret retained EU law in accordance with retained general principles.

580 Paragraph 4 provides that the right to claim damages against the state for breaches of EU law, known as *Francovich* damages, will not be available after exit.

585 Paragraph 5 clarifies that references in clause 8 and this Schedule to the principle of supremacy of EU law, the Charter of Fundamental Rights, any general principle of EU law or the rule in *Francovich* are to be read as references to that principle, Charter or rule as they stand at exit day and not as they will operate in the EU in the future.

Mr Speaker, Schedule 2: generally, the meaning or effect of the law in other jurisdictions is treated as a question of fact to be proved in legal proceedings by evidence, rather than determined by a judge as a question of law. Section 6 of the European Communities Act clarified

that when Gibraltar joined the EU judges were to determine the meaning or effect of EU
 590 Treaties, or the validity, meaning or effect of any EU instrument, as a question of law, in
 accordance with the principles laid down by and relevant decisions of the CJEU. The EU law
 which is being retained by the Bill will become domestic law, and so fall to be interpreted by
 judges in this country. Some EU law will not become retained EU law but may still be relevant to
 the interpretation of the retained EU law. For example, a court may have to consider the
 595 meaning of an EU directive when interpreting domestic regulations made to implement that
 directive.

Schedule 2, paragraph 1 therefore provides that, to the extent that determining the meaning
 or effect of EU law is necessary for a court to interpret retained EU law, judges will continue to
 determine that meaning or effect themselves as a question of law, rather than treat it as a
 600 question of fact.

Currently, Acts of Parliament and the EU Treaties are judicially noted and so are deemed to
 be within the knowledge of the court and not required to be proved to the court. Paragraph 2
 provides that the Minister can make regulations which provide for judicial notice to be taken of
 a relevant matter and for the admissibility in legal proceedings of evidence of both a relevant
 605 matter and instruments and documents issued by or in the custody of an EU entity, to ensure
 that appropriate evidential rules can be put in place to reflect the new legal landscape after exit.

Subparagraph (2) of paragraph 2 provides that regulations made under subparagraph (1) may
 require that certain conditions must be fulfilled, such as conditions regarding certification,
 before any evidential rules are satisfied.

610 Subparagraph (3) enables regulations providing for evidential rules to modify legislation to
 ensure that any new rules can properly sit alongside existing evidential provisions in other
 enactments.

Subparagraph (4) provides that such regulation may not modify an Act passed or made after
 this Bill becomes an Act.

615 Subparagraph (5) defines what the 'relevant matters' are in respect of which regulations can
 be made under this paragraph, being retained EU law, EU law, the EEA Agreement, or anything
 specified in regulations which relates to those matters.

Mr Speaker, I move on now to Schedule 3. Paragraph 1 applies to all powers in the Bill. It
 provides that all powers in the Bill can be used to modify retained EU law and can make
 620 provisions in different ways for different cases or descriptions of case, in different circumstances
 or for different purposes, and that they include the power to make supplementary provision and
 to restate retained EU law.

Paragraph 2 provides that the powers in the Bill may overlap without that overlap impacting
 on the scope of each of the powers.

625 Paragraph 3(1) provides that the law preserved and converted by clauses 5 to 9 may be
 modified by the power to make consequential provision.

Subparagraph (2) therefore clarifies that the consequential power in the Bill can, for example,
 be used to modify retained EU law if the changes are consequential on repeal of the European
 Communities Act or section 23(g) of the Interpretation and General Clauses Act.

630 Subparagraph (3) clarifies that the power to make transitional, transitory and savings
 provisions can be used to do things in connection with the repeal of the European Communities
 Act or section 23(g) of the Interpretation and General Clauses Act and generally in connection
 with the withdrawal of Gibraltar from the European Union. The power can be used for these
 purposes in a way which is additional to the changes made by the clauses in the Bill that deal
 635 with the preservation, conservation and interpretation of EU law, or to produce different effects
 for particular cases.

Subparagraph (4) clarifies that the consequential power can do things in connection with
 repeals made by the Bill, or which are additional to the provisions covered in the clauses of the
 Bill that deal with the preservation, conversion and interpretation of EU law, including in a way

that might alter their effect for particular cases. Provisions of this kind can be treated as retained EU law, as subparagraph (5) provides.

Paragraph 4 allows for the anticipatory use of delegated powers in this Act in relation to retained EU law. This means that these powers can be exercised before exit day to amend retained EU law if they come into force on or after exit day.

Paragraph 5 provides that the Minister can specify the time of day when specifying a day under any of the powers in the Bill.

Paragraph 6 provides that the powers in the Bill may be used to make different provision, in particular cases, from the changes made by Part 1 of Schedule 4 and amendments to the Interpretation and General Clauses Act.

Mr Speaker, paragraphs 1 and 2 of Schedule 4 set out what happens to ambulatory cross-references to EU instruments. These are references to an EU instrument as amended from time to time in the future. There are many references in domestic legislation to an EU measure 'as amended from time to time'. The effect of this wording is that the references to the EU instruments will automatically update when that EU instrument is amended.

The effect of paragraph 1(1) is that existing ambulatory references to EU regulations, decisions, tertiary legislation or provisions of the EEA agreement which are to be incorporated into domestic law under clause 6 will, on exit day, become references to the retained versions of those instruments as they are modified from time to time by domestic law, unless the contrary intention appears. This approach ensures that modifications to EU law made by the EU on or after exit day do not form part of our domestic legislation.

Paragraphs 3 to 6 set out how existing powers, pre this Bill, to make, confirm or approve subsidiary legislation may operate on retained direct EU legislation and anything else which is retained EU law by virtue of clause 7.

Paragraph 3 provides that existing powers which can amend primary legislation, can amend retained direct principal EU legislation – which broadly covers EU regulations – retained direct minor EU legislation – which broadly covers EU tertiary legislation and EU decisions – and anything which is retained EU law by virtue of clause 7.

Paragraph 4(3) provides that such powers when amending retained direct minor EU legislation are capable of making supplementary, incidental or consequential amendments to any retained direct principal EU legislation and anything which is retained EU law by virtue of clause 7.

Paragraph 4(4) provides that powers to make transitional, transitory or savings provisions are capable of amending retained direct EU legislation or anything which is retained by virtue of clause 7.

Paragraph 5 lifts, on or after exit day, any implied EU law restriction which might otherwise attach to powers to make, confirm or approve subordinate legislation immediately before exit day.

Paragraph 6 provides a number of exceptions and clarifications to the existing powers and allows for anticipatory use of delegated powers in relation to retained EU law. This means that existing powers can be exercised before exit day to amend retained EU law if they come into force on or after exit day.

Paragraph 7 deals with duties to conduct post-implementation reviews of regulations made before exit. In conducting those reviews, a person is not required to have regard to how EU member states have implemented former EU obligations.

Paragraphs 8 and 9 provide glosses on how future – post passing of this Bill – powers to make, confirm or approve subsidiary legislation may operate on retained direct EU legislation and anything which is retained EU law by virtue of clause 7.

Paragraph 8(2) provides that future powers to amend subsidiary legislation can amend retained direct minor EU legislation.

Paragraph 8(3) also provides that future powers to amend subsidiary legislation can, context permitting, make modifications which are supplementary, incidental or consequential to the

modification of retained direct minor EU legislation, to retained direct principal EU legislation or anything which is retained law by virtue of clause 7.

695 Paragraph 8(4) operates on all future transitional, transitory or savings powers and provides that they may amend any retained direct EU legislation or anything which is retained EU law by virtue of clause 7.

Paragraph 9 provides that any future power which can amend retained direct principal EU legislation will be permitted to non-textually modify any retained direct EU legislation or anything which is retained EU law by virtue of clause 7.

700 Paragraph 10 provides a number of exceptions and clarifications to the future powers paragraphs and allows anticipatory use of future powers in relation to retained EU law. This means that such powers can be exercised before exit day to amend retained EU law if they come into force on or after exit day.

705 Paragraph 11(a) provides that the definition of subsidiary legislation contained in the Interpretation and General Clauses Act includes instruments of the same nature made on or after exit day under any retained direct EU legislation. This means that the provisions of the Interpretation and General Clauses Act will apply to instruments which are made under retained direct EU legislation – for example, under powers in a retained EU regulation which have been turned into domestic powers – as they apply to other subsidiary legislation. It also means that
710 where other legislation relies on the Interpretation and General Clauses Act definition of subsidiary legislation, it will include subsidiary legislation made under retained direct EU legislation.

Paragraph 11(b) amends section 2 of the Interpretation and General Clauses Act and inserts a number of definitions. The European Communities Act contains a number of important
715 definitions which apply to all legislation and not just to the European Communities Act. This is because section 5 of the Interpretation and General Clauses Act currently states that the definitions in section 2(1) and Schedule 1 of the European Communities Act apply to all Acts and public documents. This paragraph moves most of these definitions across to the Interpretation and General Clauses Act, as otherwise they would no longer exist as a result of repeal of the
720 European Communities Act.

There are also some changes to some definitions, and some new definitions, to reflect the new context post Brexit and the relationship between domestic and retained EU law.

Paragraph 11(c) amends the Interpretation and General Clauses Act to provide that certain provisions within it will apply, so far as applicable and unless contrary intention is made, to any
725 amendments which are made to converted direct EU legislation.

Paragraph 12 provides that anything done or in force before exit day, or in the process of being done, and which relates to any element of retained EU law is preserved. For example, licences lawfully issued before exit day would continue to have effect after exit day.

730 Paragraph 13 provides that rights which arise under EU directives and are recognised by courts or tribunals in cases which have begun before exit but are decided on or after exit day are preserved by clause 7 and are not excluded by subclause (2) of that clause.

Paragraph 14 makes further provision about the exceptions to the saving and incorporation of EU law set out in clause 8 and Schedule 1. The starting point is that these exceptions apply in relation to anything occurring before exit day as well as anything occurring after exit day.
735 However, this is subject to the following specific transitional and saving provision and any specific saving and transitional provision made in regulations under clause 15(4).

Firstly, the exceptions for the Charter of Fundamental Rights and for claims in respect of validity, general principles and *Francovich* do not apply in relation to cases which have already been decided before exit day – subparagraph (2).

740 Secondly, the exceptions to preserved and converted law set out in clause 8(4) for the Charter of Fundamental Rights, and paragraphs 3 and 4 of Schedule 1 for general principles and *Francovich* claims, will not apply in respect of proceedings which have begun before exit but are

not decided until after exit – subparagraph (3). So, for example, a *Francovich* claim commenced before exit can be decided by a court after exit.

745 Thirdly, the exceptions in paragraphs 1 to 4 of Schedule 1 for validity, general principles and *Francovich* claims, will not apply in relation to any criminal conduct which occurred prior to exit day – see subparagraph (4).

Fourthly, subparagraph (5) provides that the restriction on challenges based on incompatibility with any of the general principles of EU law set out in paragraph 3 of Schedule 1
750 does not apply in respect of certain proceedings begun within three years of exit day.

Subparagraph (6) provides that a court, tribunal or other public authority will, on or after exit day, still be able to disapply any enactment or rule of law, or quash any conduct on the basis of incompatibility with the general principles where it is a necessary consequence of a decision made by a court or tribunal before exit day or decisions in proceedings commenced during the
755 three-year period after exit day provided for in paragraph 14(5).

Finally, subparagraph (7) delays the prohibition in the Bill on seeking *Francovich* damages in domestic law, set out in paragraph 4 of Schedule 1, for two years after exit day. This ensures that the Bill will not prevent individuals from continuing to seek such damages in domestic law where a breach of EU law occurred before exit day.

760 Paragraph 15 clarifies that although certain powers in the Bill expire, the regulations made under them do not expire.

Paragraphs 16 to 18 ensure that legislation that was in force prior to the entry into force of the EEA Agreement in 1993 is read consistently with the provisions of that Agreement, and that this legislation that pre-dates the EEA Agreement continues to operate appropriately after
765 Gibraltar's exit from the EU and consequently from the EEA as well.

Mr Speaker, there is some urgency in putting in place the legal framework which will regulate Gibraltar's exit from the European Union. This is the third piece of legislation that we bring to the House in that regard. The House will recall that last year we amended our legislation for elections to the European Parliament on the basis that the United Kingdom and Gibraltar will no
770 longer participate. Separately, we also had to change a number of references and definitions to the EU and its institutions. The legislation before the House today provides the basis for EU law to become domestic law. This will be the framework under which hundreds of pieces of legislation will have to be amended as we leave the European Union.

In a major exercise last year, Government departments were asked to list and to prioritise the areas of EU law that affected them in the context of an orderly departure from the European Union. This took into account the cushion provided by a transitional period. A second major exercise is also underway, this time in the context of a no-deal Brexit. Therefore, the European Union (Withdrawal) Bill before the House today provides the legal cover for our organised departure from the European Union. It will provide legal cover for a no-deal Brexit as well. This is
780 an essential component of the legal framework that Gibraltar needs to put in place to provide for an orderly departure from the European Union.

Mr Speaker, I commend the Bill to the House. (*Banging on desks*)

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? The Hon. the Leader of the Opposition.
785

Hon. E J Phillips: Mr Speaker, I thank the Deputy Chief Minister for setting out his analysis of the EU Withdrawal Bill before the House and his explanation of the technical aspects.

I would also like to thank Her Majesty's Attorney General, Mr Paul Peralta, Nadia Parody and
790 Michelle Garcia and the Government legal officers generally for the work they do and continue to do in relation to the logistics of our exit from the European Union.

Mr Speaker, the main purpose of the Bill is to ensure certainty, stability and adaptability of our law and the integrity of our legal system in the context of our exit from the European Union. From this side of the House we support the desire to ensure that we put in place legislation

795 which provides legal certainty to our citizens and our businesses if it is inevitable that we leave
the European Union. I say 'if' because of course the Withdrawal Agreement has not made it
through the UK House of Commons yet and a further meaningful vote is not expected until late
February. There have been and may still be developments in this whole debate, and for our part
800 we still hope that circumstances may emerge that could deliver a better outcome to the United
Kingdom and Gibraltar than the inevitability of leaving the EU. If, however, leaving is inevitable,
we accept that there needs to be legislation providing clarity and certainty of the law that
applies after departure. To that extent we welcome this Bill. There are aspects of this Bill,
however – one in particular – that will not allow us to support the Bill itself, which I will explain.

On 23rd June 2016 Gibraltar voted, by 96% to 4%, to remain within the European Union.
805 There also remain majorities in Scotland and Northern Ireland. Much is said by Brexiteers about
democratic legitimacy and that it would not be right to have a second referendum because that
would not be to respect the will of the people. Nothing, however, is said about the democratic
illegitimacy of not respecting the clear will of the people of Gibraltar, Scotland and Northern
Ireland. We accept, of course, that taken as a whole a slim majority of the United Kingdom voted
810 to leave, but we are also conscious of all that has been said recently about how people were
given insufficient or plainly inaccurate information by some proponents of the Leave campaign
in the United Kingdom at the time and that there was simply insufficient reflection on the
consequences of voting to leave.

Mr Speaker, as democrats we have accepted the result but we should also be clear that the
815 mandate of the people of Gibraltar was to remain and seek more Europe, not less. It is clear, and
clearer now given the emerging debate in the United Kingdom, that our national objectives are
different to those mapped out by the United Kingdom, by Mrs May's government, who does not
seek freedom of movement or single market access. Therefore, it was a decision taken in the
main by members of the wider British family who had scant knowledge of the geopolitical
820 consequences of the UK's departure on Gibraltar's future in the EU context. Despite our best
attempts, the wider British family had little appreciation of the strong familial ties and
commercial relationships that exist across our land border with the EU and which will be
affected by the decision to leave. There is no greater signal of the low priority that Gibraltar has
had in the public mind in the current UK debate than to repeatedly hear the UK press describe
825 Northern Ireland as the only British land frontier with Europe.

Mr Speaker, for the people of our community this was never a question of taking back control
of our borders, money and laws. We were so far removed from those arguments and they never
entered the minds of the 96%, or 19,322 people, of our community who voted to remain. The
people of our community have never been divided on the question of Europe. We understand
830 and appreciate the consanguine relationship with Europe and the benefits of what that can
bring – and I believe the Deputy Chief Minister himself talked about the challenges that we have
faced in Europe over the many years of our relationship – but whilst we sit on the continent of
Europe, and despite our buttressing of the European project, we have found ourselves in the
middle of an argument which has divided the political classes of the United Kingdom for
835 generations. Moreover, given the unfortunate cheerleading by our Chief Minister of the UK
government's Withdrawal Agreement, we have found ourselves at the centre of the controversy
in Westminster itself.

On 23rd June 2016 we, the 96%, voted with our hearts and our heads. We voted to remain
because of the fact that we have a foreign power on our doorstep who has sought to claim our
840 land for over 300 years and who has demonstrated consistently, irrespective of the brand of
politics being peddled at the *Moncloa* that they always seek to assert their claim over our
homeland. We voted to remain because our businesses wanted to genuinely work with the EU,
despite the actions of the Spanish government, and we voted to remain because we have
friendships and families across the land border.

845 As I have said, we were not the only ones who declared a desire to remain within the European Union. Scotland, Northern Ireland, London and other English cities summarily expressed the democratic desire to remain. It was not enough.

Mr Speaker, whilst we in this House respect the decision of the UK to leave, none of us in this House wished to leave the Union, for the reasons I have set out and the arguments that have
850 been ventilated in every newspaper in and outside this House for the last two years.

It is also right to observe that none of us in this House wishes to debate this historic and complex piece of legislation. I am sure that many of us in this House would wish to see more debate about the issues that affect ordinary working families, such as skills training for our young people, housing for 1,200 people who need homes, agency workers and education. The
855 domestic agenda has been placed on the back burner whilst the Government conducts complex negotiations preparing for our withdrawal from the European Union. We have said before and we will say again that it was not in Gibraltar's interests to leave the EU, so any withdrawal agreement is worse than remaining in the EU.

Mr Speaker, the stated objective of the EU Withdrawal Bill is, on the day of exit and beyond,
860 to provide our legal system with operability, certainty and continuity. We will support the parts of the Bill which seek to provide our legal system with the maximum level of legal certainty in the context of our exit from the EU. The Bill as promoted is a momentous and historic piece of legislation which will repeal the European Communities Act and, as the Deputy Chief Minister said, section 23 (g) of the Interpretation and General Clauses Act and bring about an end, as he
865 also said, to the supremacy of EU law in Gibraltar. The Opposition also supports those parts of the Bill which ensure on the day we leave the EU that the same rules and laws that applied on the day of exit continue to apply when we wake up on that morning. Furthermore, the Opposition also supports those parts of the Bill which provide Ministers opposite with powers to correct deficiencies that will arise.

I do not believe that anyone in this House underestimates the task ahead and the impact that leaving the EU has on our laws. We understand that, so far, 1,600 pieces of domestic law have been identified which have been affected by this legislation – a relative feast for lawyers and a massive headache for litigants in the future, who will need to carefully navigate our sources of domestic law and, in some instances, at great expense.

Mr Speaker, whilst we support many parts of the Bill which seek to ensure legal certainty, there is, as I have indicated, one important aspect of this Bill which we do not support and which will drive the Opposition to vote against the Bill. It seems clear that this Bill will, in effect, by a side wind, introduce into Gibraltar law references to the Withdrawal Agreement and, by it, the Protocol on Gibraltar and contemplate mechanisms to implement the Memorandum of
880 Understanding. This House is well aware that our position in the GSD is that we think the Gibraltar Protocol and the MoUs seen as a whole are a bad set of arrangements for Gibraltar.

There is a definition of 'Withdrawal Agreement' in the Bill at page 306, referred to by the Deputy Chief Minister, which envisages that regulations could be introduced to implement it under section 12, whether ratified or not. I go on to explain why we say this is an issue. Seen as a whole, it seems to us that voting in favour of the Bill with the present section 12 and references
885 to the Withdrawal Agreement would amount to an endorsement of the Withdrawal Agreement and the MoUs which we have said we are against. As such, we cannot support the Bill as presently drafted. This need not have happened because the Opposition did, in the Brexit Select Committee, indicate to the Government that if it was prepared to hive off section 12 into separate legislation then it would consider a different position. As things stand, though, we cannot support the Bill, and I will seek to demonstrate why that is. Whilst logistic arrangements have our support, we will vote against it.

Mr Speaker, this House will recall that the Chief Minister stood shoulder to shoulder, side by side, with the British Prime Minister. The Chief Minister said that the deal, the Withdrawal Agreement, is good for the UK and is therefore good for Gibraltar. The Opposition has been clear
895 that the deal, the Withdrawal Agreement, the Protocol and the MoUs are not good for Gibraltar.

We cannot speak, of course, to the Tax Agreement because, despite assurances, the Hon. Chief Minister has not published it. The UK Prime Minister has failed to get the deal through her Parliament and it was the biggest political defeat since the 1930s. The Prime Minister has had one cheerleader and he sits opposite.

We have been clear there is nothing in the MoUs that secures enduring benefits for our people. The deal provides for Spain having a say in our affairs and it protects frontier workers permanently. For a number of months now the Opposition has raised serious concerns over the Government's lack of strategic direction and inconsistent approaches to Brexit. It was wrong for the Chief Minister of the day to align himself with a damaged, haemorrhaging Prime Minister, it was wrong for the Chief Minister of the day not to pursue a unique and differentiated position for the people of this community, and it was wrong for the Chief Minister to give away the biggest bargaining chip on frontier workers without obtaining anything permanent and enduring for Gibraltar.

The Chief Minister has been unclear in an important respect. On the one hand he has said the failure of the UK Parliament to ratify the Withdrawal Agreement will mean that the Protocol and MoUs will fall away, but on the other he has indicated in this House and outside it – which has been echoed in Madrid – that a failure to ratify will mean and could see the MoUs surviving.

We have said that the MoUs do very little to advance the interests of this community. The MoUs in substance allow encroachments into our domestic affairs by Spain in relation to matters concerning our waters, the environment, fishing and tobacco. The MoUs represent an abandonment of the significant gains achieved by Sir Peter Caruana and the GSD in government. Under the GSLP Government we have seen a return to bilateralism. Spain has secured full protection for their workers and we have achieved nothing permanent in exchange. The Chief Minister has also failed to answer the fact, although the MoUs were concluded by the UK and Spain, to seek to protect our well-stated position on sovereignty and jurisdiction. The MoUs do not include the word 'control' and by magic are spun into the Chief Minister's press release and explanatory note to the people. It is clear that an element of control now rests somewhere else.

The relevance of the MoUs is more important now, given the presence of section 12 of the Bill and the interpretation of the words 'Withdrawal Agreement' in the Bill. Section 12 provides for the implementation of the Withdrawal Agreement whether it is ratified by the UK Parliament or not. Ergo the power to implement the MoUs despite the Withdrawal Agreement not being ratified by the UK Parliament remains a very real possibility. In effect, this could lead to agreements being reached with Spain even in the event of a rejection of the Withdrawal Agreement and thereafter implementation by regulations made under this Bill.

We do not believe that the MoUs are in the long-term interest of this community and a provision that envisages regulations be made in the context of those MoUs cannot be supported by us.

We object to section 12 for two reasons: (1) because it allows for the implementation of the Withdrawal Agreement which we have said is a bad deal for Gibraltar and is tantamount to an endorsement of it if we were to vote in favour; and (2) because it envisages that regulations could be made for the implementation of the withdrawal agreement and underlying MoUs even if it does not get through the UK Parliament in circumstances where there could be side agreements with Spain which give a degree of control over matters of our domestic affairs to Spain. We cannot support this Bill, which would amount to an endorsement and allow the implementation of the Withdrawal Agreement on this basis.

Mr Speaker, on the careful basis that I have set out, the Bill does not enjoy the support of Her Majesty's loyal Opposition. *(Banging on desks)*

Mr Speaker: The Hon. Sir Joseph Bossano.

Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, you and I were elected in 1972. I think one of the first pieces of

legislation we had to address in this Parliament – the House of Assembly, as it was then – was the Bill for the Ordinance to join the European Economic Community, and when we joined the European Economic Community we joined on terms that the United Kingdom secured for us, and which suited us and which recognised what Gibraltar needed. Of course, we were able to do that because the European Economic Community which we joined did not contain our enemy as one of its members. In 1986, when that enemy joined the European Union, the first thing they did in their first year was to blackmail all the other member states in order to deprive us of our right to freedom of travel by air in the European Union, which we had enjoyed until that point, and this wonderful Union, for which we voted by 96% with our hearts, suddenly was not one that I voted for with my heart; I voted with my head. I voted to stay in order not to be in a position where we were out and the UK was out and Spain would then have allies in the European Union – which is the position we are in now. So the vote to stay was not out of a love affair with the European Union but out of a legitimate concern and lack of faith that the European Union would be able to protect us in Spain, because it has never done from the day they came into membership of the European Union.

What the European Union did to Gibraltar immediately after Spain joined is unprecedented in terms of any concept of democracy or the rule of law, because legislation was introduced to repeal the conditions under which air travel was operating, which was restricted to aeroplanes of up to 70 seats and regional airports. And Spain, on the first occasion that it had, waited until the last minute, having participated in all the negotiations that had been taking place and at the very last minute said they would use their veto to prevent the liberalisation of air travel for the whole of the European Union unless we were excluded.

The member, the citizens, that had been there for 13 years, were sacrificed by the European Union because Spain blackmailed them and said, 'If you don't leave Gibraltar out, I will block this for the whole of Europe.' The result was that a piece of legislation was created, which for the lawyers in this room may sound normal but to me, as a non-lawyer seemed incomprehensible because the law of the European Union was repealed except in Gibraltar. Spain could not deprive us of the rights we had before they joined because of the *Acquis Communautaire*, and therefore that could not be taken away from us. So we had the same position that you were travelling in Gibraltar and you were in Europe if the plane had 69 seats, but you were outside Europe if the plane had 71. So, all you had to do in a 70-seater plane was to chuck one of the seats out of the window and then you were in the European Union, and that is the situation there has prevailed since.

In 1987 they had the audacity to try and get us to accept that, in order to have what we used to have and they took away, we should give them rights over our Airport – and if the GSLP had not won the election in 1988 that might have happened because the position of the AACR was not to take a decision on that because it was too near an election. We do not know what the decision would have been had the result been different. The GSLP that has opposed every agreement since Strasbourg, and Lisbon and Brussels and the Airport deal and fought every inch of the way all the time at every attempt that there was to give concessions to Spain is now the party of the doves and the doves on the other side have become the hawks. *(Laughter)* **(Hon. Chief Minister: No se lo creen ni ellos.)** That is the contribution that the hon. Member is trying to persuade us is the reason why they are not supporting the Bill: they are not supporting the Bill because they are the hardliners now in dealing with Spain. Well, we are going to have plenty of opportunities to demonstrate who the hardliners are after March. Of that we can have no doubt, and then we will see, when the chips are down, where the hardliners are.

The reality of the situation is that we need to be where the UK is. It is not a question of whether we are in the European Union or out of the European Union. It is that we cannot afford to be out if they are in or in if they are out, because the only protection – and it has not been a very strong one, but the only one that we have had in the EU – has been the UK's protection. The reality of it is that the UK has not been willing to go as far in blocking everything to protect us as Spain has been in blocking everything to get their hands on us. In the first instance, the real

1000 statement and the real challenge – and it should have happened the first time, in 1986 – is that
 when Spain said, ‘We will block it if Gibraltar is included,’ the UK should have said, ‘We will block
 it if Gibraltar is left out.’ (**Hon. Deputy Chief Minister:** Exactly.) If they had not conceded the
 ground then, if they had not backed off then, a lot of the other things that have happened since
 1005 in the European Union might not have happened. That is a real lesson. That is a lesson we have
 learned in this place, that if you do not stand up to them in the first instance, if you make
 concessions before you know what they are, if they take an inch – I can say an ‘inch’ now
 because we are not in the European Union anymore, so I do not have to say ‘centimetre’ – an
 inch of that Frontier, which is now the border between Gibraltar and Europe ... Europe starts at
 1010 the Frontier; it is not neutral ground anymore. If they take an inch there, before we know where
 we are they will be in the lighthouse. That has always been the view of the vast majority of us,
 having dealt with them for years, and therefore I can assure the hon. Member opposite that if
 his concern in not supporting this Bill is that we have gone soft on Spain, then he can go to bed
 and sleep tonight without any worries: that is not going to happen.

As far as we are concerned, the Withdrawal Bill in the United Kingdom, which has been
 1015 rejected, is now going to be taken back by Theresa May with a mandate that it should be
 amended, and she has been told even before she gets there that it is not going to be amended.
 With every passing day we are getting closer to the possibility that at 11 o’clock at night on the
 29th, one minute later we will be out of the European Union and nothing will be there. That
 becomes more and more likely. I think it is a very dangerous game that some people are playing
 1020 as to who blinks first, but we have got a long record of blinking last and therefore, if it comes to
 that, it is my professional not my political view that the economy that will least suffer of the
 three involved – the UK, the EU and Gibraltar – the one that will least suffer, will be ours. We will
 not come out unscratched but we will come out better than the other two.

Therefore, for the sake of the United Kingdom – not for the sake of the European Union but
 1025 for the sake of the United Kingdom – I hope that the European Union shows more generosity
 than they have shown so far in negotiating with the UK. The reality of it is that they said from
 day one in 2016 to the United Kingdom, when the United Kingdom said they were going,
 ‘There’s the door,’ and they have been saying the same thing ever since. The position that the
 UK has had is, of course, that the weakened and battered Prime Minister that the Hon. Leader of
 1030 the Opposition thinks we are supporting ... Look, I am not a supporter of the Conservative Party.
 I think that lady is not a very good negotiator. I do not think she would have done a very good
 job if she had been a shop steward in the TGWU, but she has got a lot of guts (**A Member:** Hear,
 hear.) and she is willing to defend what she believes is in the best interest of the country – and
 that, whether her judgement is right or wrong, that is the most that we can ask of any politician.
 1035 She has taken a lot of knocks and she is still there doing what she thinks is right. I think we have
 to respect her for that because that is, in my judgement, what is happening. I think she is going
 to have an impossible task in trying to come back with concessions from the European Union.
 We will have to wait and see, but it is quite obvious, from looking from the outside, that it
 appears that the strategy is that the European Union will be sufficiently scared the nearer they
 1040 get to the deadline to make some concessions. Until now, all the movements have been made
 by the UK, all the red lines have been given up by the UK. The other side has done nothing. It has
 not been a negotiation where two sides start with clear positions and then find common ground.
 It is that one side has said, ‘These are my red lines,’ and the other side has said, ‘These are my
 red lines,’ until there have been no red lines left. In that situation, if the UK is out with nothing,
 1045 we want to be out with nothing. We do not want to have a relationship without the UK.

With the UK in, it has been extremely difficult for us to protect our existing rights in the
 European Union because the reality is that the European Union, like the United Nations,
 preaches one thing and practices another. When I went to the European Union to complain
 about the situation that was happening with the airfares, the guy who was in charge of a special
 1050 committee dealing with aviation – he was a Dutch person; I cannot remember, it was a long time
 ago, but he said to me, ‘You are absolutely right, it is a disgrace what Spain is doing, but you

need to understand how this place works. We have taken a long time to get everybody to agree, and if we allow Spain to block this the whole thing will unravel because they are in a situation ...' And it is worse now than it was then. There were 12 members then; there are 27 now. Once you stop something happening there are two things: there are people who have changed their minds about what they agreed because they have had a lot of flak when they have got back home, saying, 'Why did you agree with that?' – like we are getting from the hon. Member over the MoUs. That happens. So, some people said, 'Well, I want to change my mind,' but you cannot because it is all agreed, which is what the European Union is saying. In other cases there have been governments that have changed while the negotiations were going on and the governments that have changed do not believe in what the other governments agreed to.

So there is an element of reality in the position of the European Union in saying if we touch anything in this agreement then a lot of other people are going to jump in. Certainly Spain will jump in and start demanding more of Gibraltar, and the French will jump in and start demanding more on fishing and somebody else will come in with something else. That is true because that is the weakness of the European Union. The weakness of the European Union is that it pretends to be a super state but it has never been a super state. They start off with something that may make sense and by the time they have pacified all 27, what they have cobbled together is full of inconsistencies. So the magnificent European Union is something that we might well be happy to be without in a few years' time when we have made Gibraltar stronger and more prosperous than it has ever been in the past.

I will be supporting the Bill. (**Hon. Chief Minister:** Hear, hear.) (*Banging on desks*)

Mr Speaker: The Hon. Daniel Feetham.

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

In order to avoid the clear political differences that have arisen as a consequence of this Bill, on Monday, having seen the references to the Withdrawal Agreement in the Bill, I invited the Government to attempt to hive off those provisions so that we could have a political debate on the Withdrawal Agreement and leave the rest of the Bill unaffected, because of course the Opposition supports 99% of the Bill. The Government decided not to do so. I do not criticise the Government for it, because I understand that in fact the Government wishes to proceed with the Bill on an urgent basis, politically it does not agree with us and in any event it no doubt feels that it is very late in the day to hive off these particular provisions from the Bill. But the Opposition has a position on the Withdrawal Agreement. The party has had a position and has a position in relation to the MoUs and also the Protocol, and therefore the position that it has taken is one based on principle and based on arguments that have been canvassed in communiques which no doubt the community is well familiar with.

What I wish to do in my own intervention, Mr Speaker, is outline why personally I am against the Withdrawal Agreement – and when I talk about the Withdrawal Agreement I do not talk about the Protocol, I do not talk about the MoUs; I talk about the UK Withdrawal Agreement and why actually I believe that is not in the best interests of Gibraltar and it is not in the best interests of the United Kingdom. Indeed, I actually approach this from a very similar perspective, although I come to a different conclusion, as the Father of the House in his own intervention has approached it when he said – and I hope I am not misquoting him – we need to do the same as the United Kingdom and that we cannot have it a differentiated position to the United Kingdom. I will come back to that in a moment, but there are three general observations that I wish to make before I make my substantive point.

The first is that the position of the opposition is not a reflection at all on the hard work that not only Her Majesty's Attorney General and the public servants who have drafted this Bill have put into this Bill but indeed the hard work that has been put into this Bill by the Hon. the Deputy the Chief Minister. We all recognise that on this side of the House. This is a complex, complicated, technical piece of legislation that was very much necessary in order to provide

certainty, as the Hon. the Leader of the Opposition has outlined in his own intervention, certainty to Gibraltar and to our legal system amongst other things post Brexit.

The second is this: I am a remainer and I think that even post Brexit, if it happens, the debate about whether to come back into the European Union – because that is what it would amount to then – will not be dead and buried. I stand by my belief that Brexit is not in the best interests of Gibraltar, it threatens the integrity of the United Kingdom and therefore is not in the best interests of the United Kingdom – and I am an avid unionist – and therefore, whilst there are alternatives to the Withdrawal Agreement, for example a people's vote, I cannot support the Withdrawal Agreement as a matter of principle. I cannot do so.

The third general observation, which provides the context, the real meat, the substance as to why I personally cannot support the Withdrawal Agreement, is that we all recognise – everybody on this side of the House recognises – the very difficult position that the Government was faced with as a consequence of this process, and the Government was undoubtedly caught on the horns of a dilemma. The absolute nightmare for Gibraltar, as the Hon. the Father of the House has outlined during the course of his intervention, would have been that the United Kingdom has an orderly withdrawal and Gibraltar just simply drops out, off a cliff edge, on 29th March. That was the absolute nightmare scenario for Gibraltar, and therefore we all understand that the Government faced that very difficult position and that that was of a paramount importance, at the forefront of the Government's mind when the Government has done what it has done. Indeed, I think everybody here recognises that in that kind of situation there is obviously an element of give and take, that the position that the party has adopted is we would not have given as much as has been given; but I do not want to ... That is not the purpose of my intervention, but obviously it involves an element of give and take.

You see, Mr Speaker, what the Withdrawal Agreement does is it maintains the status quo for the United Kingdom and indeed for Gibraltar – in particular I am talking about Gibraltar now – for a period of two years during which the United Kingdom will attempt to agree a permanent relationship with the European Union, and I am of the very firm view that what is going to happen over the next two years is that Spain is going to be demanding of the United Kingdom concessions that we will never be able to live with, and that when the realpolitik of the situation bites, the United Kingdom government ... The Hon. the Father of the House said, 'I've never been a Conservative.' Well, let me tell you that I would bank on a Conservative government every single day of the week on this issue in protecting Gibraltar's interests rather than the Labour Party any day, particularly one led by Mr Corbyn.

The problem is that the UK government is going to be faced with a situation where it has to make a choice whether to accept what it considers to be a good deal for 60 million people or saying no to that deal because it does not include Gibraltar, because the other 27 member states are going to be supporting Spain when Spain says, 'Don't include Gibraltar unless you make concessions on x, y and z,' and we will be left inevitably in a situation which we wanted to avoid when we endorsed the Withdrawal Agreement – the situation that the Hon. the Father of the House in his intervention, with whom I agree, said we have to be with the United Kingdom, either in or out, and we will inevitably be led into a situation, or a very likely situation, where the United Kingdom will have a permanent deal and Gibraltar will be out, and it will happen in two years' time, not now. That is the danger for ... The Hon. Father of the House wants to speak, and I give way.

Hon. Sir J J Bossano: Mr Speaker, if the United Kingdom is in, it will be a member of the European Union. If the United Kingdom is out, it may have a trade agreement with the European Union which we may not want to have, and therefore I do not accept that being a member of the European Union if the UK is, or not being a member if the UK is not, is the same thing as having to have the same trade relationship. The trade relationship that Gibraltar will want to have at the end of the transition period, if there is one, or from April onwards if there is not one, will have to reflect the nature of our economy and its structure, which is totally different from

the UK's. So, whatever is negotiated with the UK is not necessarily something we would want to be in, never mind Spain trying to stop us.

Hon. D A Feetham: And I recognise that those are factors, that in any permanent relationship Gibraltar may not want certain aspects of that permanent relationship that the UK negotiates for itself, and indeed there are some aspects of the permanent relationship which cannot or logically will not apply to Gibraltar. For example, we are not part of the Customs Union at present, so unless we wanted to take a step and be in the Customs Union, that is one of the issues that may arise. But it does not weaken the point that I am making, which is that I believe that the concessions that Spain is going to be demanding for us, taking advantage of what we deem to be positive from that UK-EU permanent relationship that we would wish to adopt here in Gibraltar, or indeed a differentiated deal that we may deem may be appropriate to Gibraltar, the odds are that Spain will demand too high a price for that.

In fact, there is an alternative analysis to all this, that when you analyse it in those terms, provided that Gibraltar leaves at the same time as the United Kingdom on the same terms as the United Kingdom, that, if the UK were out on 30th March, for example, there may be certain advantages that we could take advantage of – for example, our right to access financial services in the United Kingdom when the rest of Europe does not have that same right. That is why I say that I actually do not believe that this Withdrawal Agreement is in the interests of Gibraltar and is in the interests of the United Kingdom. In fairness to the Government as well, in relation to this I also say this: that I understand as well that it may buy us a couple of years, for example. I believe that we are out. That is my view, that we will not have the benefit of that permanent relationship because of the price that Spain will demand, but at least it buys us perhaps a couple of years where we could recalibrate our economy. I understand all that, but actually I do not believe on the whole that the Withdrawal Agreement is in the best interests of Gibraltar, is in the best interests of the United Kingdom.

Therefore, as a matter of principle, for all the reasons that I have outlined in my intervention, I personally cannot support the references to the Withdrawal Agreement and indeed wish to take the opportunity afforded by this Bill to record my own views, as indeed the party is, of the Withdrawal Agreement and why we are against it.

Mr Speaker, thank you very much for your indulgence. *(Banging on desks)*

Mr Speaker: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, I would firstly like to thank the Chief Minister, the Deputy Chief Minister, the Attorney General Michael Llamas, Michelle Garcia, Nadia Sisarello and Paul Peralta for their tireless work in this EU Withdrawal Bill.

It is truly painful to accept that this is where we are today, but I am equally grateful for the hard work gone into this Bill and I shall be supporting it because I believe it is a solid and pragmatic, vital piece of legislation and because I think it is crucial for this Parliament to present a united front and support for this Bill at this important juncture in our history.

We can continue to nit-pick and remind the world about our stance, our position and our painful reality. At the same time, I do not believe that anyone in this Parliament has the right to hold the monopoly on who the hardliner party is on issues of sovereignty. I think we are all on the same page there; we just have different ways of putting it across. We are all hardliners here. When it comes to our sovereignty, jurisdiction and control it has to be said that we are always British to the core.

What we do not need to do, if we want to call ourselves a responsible Parliament, is to be cynical and opportunistic at this seminal moment in our political and democratic history, to score points while in the background aping to collaborate with Government at this time. This, unfortunately, is a trend that we are seeing even in Westminster, and I am not alone in my

assessment, considering that even Her Majesty the Queen is calling for less bickering and more unity among MPs at this crucial moment in time.

1210 So, Mr Speaker, because I do not want to bore this Parliament or indeed the public any further with what we are already painfully aware of, I once again use this moment to thank all those responsible for their work on this. However, I shall be keeping a close eye on developments in connection with practicalities on the ground, matters of contingency planning, how fast we are moving on logistics and future arrangements, because that is where we need to be robust and at the forefront at this moment, and in the weeks, months and years to come we
1215 need to ensure a smooth transition and reinvention of our economy. Picking on a well-researched and necessary Bill just because we are all remainers here is a nonsensical, unrealistic and immature position to take at this moment.

I also find it at odds for my hon. Friend Mr Daniel Feetham, to the right here, to say that he would effectively trust a Conservative government over and above a Corbyn Labour side while
1220 his own leader outside of Parliament criticises the Chief Minister for working alongside Theresa May. **(Several Members: Hear, hear.)** This further highlights the discrepancies and inconsistencies between the Opposition ranks, which really do not bode well for a united front right now. This is why there is so much cynicism regarding the voting down of this Bill by the Official Opposition here and why I reiterate my call here today for a united front and for the
1225 support of this Withdrawal Bill as a responsible, non-opportunistic and forward-thinking Parliament.

Thank you, Mr Speaker. **(A Member: Hear, hear.)** *(Banging on desks)*

Mr Speaker: The Hon. Roy Clinton.

1230 **Hon. R M Clinton:** Thank you, Mr Speaker.

It also gives me no great pleasure to stand and debate this Bill, and I echo the sentiments of my colleagues, and in fact obviously the sentiments of the Government, that this is not a position that we wished to find ourselves in.

1235 My contribution is perhaps, in a way, more technical or more focused than those of my colleagues, which I of course, as I have said, I endorse fully.

The Bill before us today makes cross-reference to the UK Withdrawal Bill and by extension indirectly thus references the MoUs and other agreements. But we in this Parliament have had no debate about the substance or even the content of those MoUs, which have been signed by
1240 the Government with the UK government under the Concordat, but to which this Parliament has had no input whatsoever. In the United Kingdom, if that had occurred, there would have been a riot. I accept the contribution from the Father of the House, Sir Joe Bossano, when he says we are living in a world of realpolitik and we have to understand that there are things we would like to have but we cannot always have what we would like. To an extent I understand what he is
1245 saying, and I agree in terms of negotiation I would much rather have had him negotiating with Brussels than the UK government – I am sure we would have got a lot further – but we are where we are.

I do not intend to look at the substance of the MoUs, which I think has already been ventilated, but there is language in the Protocol itself which I cannot for one minute believe that
1250 the Government of its own volition inserted or would have agreed, if it had a choice, that this language should remain.

I refer to page 497 of the Withdrawal Agreement. At the bottom, referring specifically to the section on the Gibraltar Protocols, it is emphasising also ‘the need to combat fraud and smuggling and to protect the financial interests of all the parties concerned’. That language is,
1255 frankly, insulting. I do not see that language being inserted in respect of Northern Ireland, Scotland, Wales, Cyprus or any other UK interest. What on earth are the EU implying? That, I take great exception to.

Then it carries on and it says:

Underlining that this Protocol is without prejudice to the respective legal positions ... with regard to sovereignty and jurisdiction

which is fine. But then it goes on:

Taking note of the Memoranda of Understanding concluded between the Kingdom of Spain and the United Kingdom on [xx] November 2018 in relation to citizens' rights, tobacco and other products, cooperation on environmental matters and cooperation in police and customs matters,

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Then it goes on, and this is where I want to focus my contribution:

as well as the agreement reached on [xx] November 2018 to conclude a treaty on taxation and the protection of financial interests,

Well, Mr Speaker, to date we have seen no such agreement and I would ask the Government to clarify what date is going to be inserted there. There was a report on 21st November – and I will quote from the report, if I may, Mr Speaker – from the *Gibraltar Chronicle*, which says:

The final details of the four memorandums of understanding and a tax agreement were hammered out during intense meetings between the three governments in Madrid on Tuesday.

1265 And then there is a quote:

After Tuesday's meetings in Madrid, the Gibraltar Government said the memorandums and the tax agreement are now complete 'subject only to text stabilisation, legal checks and minor clarifications'. These are expected to be finalised by the weekend.

We know that the memoranda were signed – we have the photographic evidence of it – and in fact on the UK website, where they actually published the full memoranda, they say quite clearly:

On 29 November 2018 the governments of the UK and Spain, together with the government of Gibraltar, concluded 4 Memoranda of Understanding on Gibraltar. These underpin the Gibraltar Protocol in the Withdrawal Agreement between the UK and the EU.

1270 So we now know that one of the dates on page 498 of the Withdrawal Agreement will be 29th November in relation to the MoUs. However, it is not exactly clear to me what dates will be inserted in respect of an agreement to conclude a treaty on taxation and the protection of financial interests. In fact, the same information that is given on the website by the United Kingdom goes on to say:

The 3 governments have also agreed to conclude a tax agreement covering tax transparency and cooperation.

1275 So, my question to the Government is: is there an agreement that was reached, presumably on the same date as the MoUs; and, if so, where is it? We have had no sight of it. This agreement – not being a lawyer – may be only an agreement to reach an agreement, which I would accept, but it would be nice to know whether something has been concluded, because indeed there is a gap for it in the Withdrawal Agreement that seems to be vacant at the moment. There is a date missing, so either there has been an agreement to conclude an agreement or there has not, but I would like to know.

1280 My final point, Mr Speaker, is that the Protocol says an agreement reached 'to conclude a treaty on taxation and protection of financial interests'. In the past the Chief Minister has spoken about the Tax Treaty. I said, 'Oh, great, a double tax treaty,' and he said, 'Oh, no, it's not a double tax treaty.' I said, 'Well, I don't know of many tax treaties that are not double tax treaties, but so be it – you can have a treaty on just about anything you want.' But perhaps we have forgotten there is also a question of protection of financial interests, and I really would like

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to know what is intended by that, because in fact in Article 3 of the Protocol it says, under the heading 'Fiscal matters and protection of financial interests':

Spain and the United Kingdom in respect of Gibraltar shall establish the forms of cooperation necessary to achieve full transparency in tax matters and in respect of the protection of financial interests of all the parties concerned,

Then it says:

in particular by establishing an enhanced system of administrative cooperation to fight against fraud,

1290 – again, Mr Speaker –

smuggling

– again, Mr Speaker –

and money laundering, and to resolve tax residence conflicts.

Wherever this agreement is, there is obviously an implication that we are a den of thieves and money launderers, which I obviously reject outright. I would like to know what form of agreement the Government has agreed to with the United Kingdom and the European Union and whether such agreement has been signed or not.

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On the UK government website they talk not about the original language in the Protocol on page 498, where it talks about taxation and the protection of financial interests, but it actually says 'to include a tax agreement covering tax transparency and cooperation'. There seems to be a change in language. It may be the UK drafter or the person responsible for the UK website is not a lawyer and has not actually read the Protocol, but I would find it hard to believe that this sort of information does not go through the legal examination all these sorts of things do.

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And so, Mr Speaker, from a very narrow practical point of view in an area which is particularly important, in an area in which we are being accused of all sorts of misdemeanours it would appear, I would like some clarity from the Government as to what is the current position in respect of these agreements: have they been signed; and if so, on what dates and may we have sight of them?

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Thank you, Mr Speaker.

Mr Speaker: The Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, I rise with a *very* heavy heart to deal with a Bill that I never imagined, at the time that I embarked on my journey as Chief Minister and Leader of the House in 2011, I would be asking the House to support. Indeed, the Hon. Dr Garcia, the Deputy Chief Minister, referred to our visit to Brussels – *many* years ago, *many* kilos ago and *many* dreams ago – when we saw for Gibraltar a European future as an integral part of the European project. Little did I know that it would fall to us together to designate portfolios after the 2015 General Election, when the time came after the Referendum, which included a portfolio for him to take Gibraltar through the exit from the European Union.

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It had been such a pleasure, after the magnificent New Dawn of December 2011, to designate him Minister *for* Europe. What a pity, Mr Speaker, to have to ask His Excellency the Governor to designate him the Minister for our exit from Europe; but if we are to exit the European Union and if somebody was to shepherd our way through that difficult area, then he was of course exactly the right man to do so. And when, on the Government's side of this House, we banged our desks today when he sat down, we did so not in support of the principle of leaving the European Union but in support of the work that he has done with the team behind me in order to enable that to be done in the way it has been done. (*Banging on desks*)

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Mr Speaker, the Hon. the Attorney General and his team – Paul Peralta, Nadia Sisarello Parody and Michelle Garcia – who are with us in the House today, have framed the mechanisms for Gibraltar’s departure and that has required intellectually challenging work. Indeed, what will now follow is for many of us, especially for the lawyers amongst us, a change of chip in the way that we understand our interaction with the European Union with remaining European law, how that will operate in the future, the effect and weight of European law – and today, from a non-lawyer, we had our first tutorial on that, and indeed members of the Select Committee had the advantage of receiving a tutorial directly from the draftspeople behind us earlier in the week. But this is legislatively the saddest day for this Government and we will not shy away from saying that we are asking support for a Bill which we did not want to bring to the House.

I want to go through all of the reasons why it is important that the Bill have support in analysing some of the things that hon. Members opposite have said about the reasons why they will not be supporting the Bill. But before I do, I think it is clear that the mental gymnastics that one will have to do in the future in interpreting the *corpus juris* of Gibraltar will only benefit lawyers, who will have to take clients on a very difficult minefield, a very difficult maze of law. If anybody is saying *ker-ching* at the decision to leave the European Union, it is the legal profession. I do not want to do anything to bring them out of the opportunity to make as much as they can in the days after 29th March. I will do my best to ensure they can continue in practice.

Mr Speaker, for us on this side of the House – and I know this is an issue which we all agree on – there is no taking back control, there is no independence day to celebrate on 30th or 29th March when the United Kingdom leaves the European Union, if we leave on that date and we do not find that membership is extended because of the logistics of leaving, or indeed if it were still possible to see the United Kingdom not leave. But it seems very clear to me that one of the key things that we must do, indeed one of the key things that Sir Joe Bossano has done in his intervention today and has been doing in the two years since the result of the Referendum, is to see beyond the horizon, to look up and beyond into the future and to be very clear – and I think it is important to be clear before we get to disagreement – that we demonstrate to the world the agreement in this Parliament that before and after exit day, in the future, whatever price may be asked of us in the context of access to the European Union – which the Hon. Mr Feetham referred to and I will refer to in answering his speech more particularly – in all of those moments, if anybody thinks that they can put a price before this community that we will have to pay in order to survive, whoever thinks that, in particular north of the Frontier and south of the Pyrenees, is going to find every single generation of Gibraltarian going forward from this one demonstrating that they are wrong. This community will not atrophy outside of the European Union, we will not wither on the vine and we will not fall like a ripe fruit. Together we are going to grow and prosper as we have until now, if not more.

I will share with the House and with all of the community, Mr Speaker, that I had an entrepreneur come to see me in the past six months. When the result of the Referendum was announced, people might have thought that there might not be many entrepreneurs coming to Gibraltar anymore if we were leaving the European Union, that there might not be more insurance companies or gaming companies coming to Gibraltar because we were leaving the European Union. In fact, we have more gaming companies today and more insurance companies today. This entrepreneur said to me, sitting in the chair just next to me, ‘Gibraltar is going to do magnificently well, whether you’re in the European Union and you stay or you leave with the United Kingdom, and I want to be here when you do magnificently well.’ Well, Mr Speaker, north of the Frontier and south of the Pyrenees they need to understand that Gibraltar is going to do magnificently well, whatever happens after 29th March.

I also want to reflect on one particular part of the Bill which I think it is important to keep in mind, which is that the fundamental rights part of European law which will no longer be a part of Gibraltar law after we leave – it will not be retained law – is like our Constitution and it is like the European Convention on Human Rights. It contains, in terms almost identical to the European

Convention and almost identical to our Constitution, those fundamental human rights of the post-war era which are, ironically, really a British confection to ensure that the murder and mayhem that we saw on the continent of Europe during the Second World War cannot be perpetrated by one man against another, although unfortunately we have seen a lot of murder and mayhem on the continent of Europe after the Second World War and after the European Convention on Human Rights. But the important point is this: the United Kingdom is not leaving the Convention on Human Rights and the Commission on Human Rights. They will continue to form part of that, and so the Convention will continue to be accessible to Gibraltarians in and out of Gibraltar. And the Constitution of Gibraltar contains those exact rights. Sometimes there is a word of difference in the terms of our Constitution, in the terms of the Convention and in the terms of that part of the chapter on fundamental rights which we are losing from the European Union. The United Kingdom, of course, does not have a written constitution. It has today a Human Rights Act which imports the European Convention into UK law – very controversially, as far as some are concerned. This is not an area that should concern anyone in Gibraltar because we have, as our Magna Carta, a constitution with those fundamental rights.

Now I want to turn to some of the things that one has had to endure hearing from the Hon. the Leader of the Opposition. I say ‘endure hearing’, Mr Speaker, because another thing I never thought would happen when I became Chief Minister of this community having beaten the redoubtable Sir Peter Caruana, is that I would miss him, but having debated issues of substance with Sir Peter Caruana – not of economic substance, where I think the view on this side of the House is that he never had any expertise on that – but having debated other issues of substance with Sir Peter Caruana where you could have a meaningful debate, where you could have an argument about a particular detail and you could leave better informed although perhaps still in disagreement, it is really quite something to have had to endure what the current Leader of the Opposition has told this House as to the reasoning why they are not going to support this Withdrawal Bill.

It is really quite preposterous. Even in his analysis today of why the first Referendum – let’s call it that – of June 2016 might have been deficient in the arguments put before people, the hon. Member, in seeking to disagree with us, has adopted all of the arguments I used in July 2016: insufficient information was put before the general public in the United Kingdom in order to allow them to make up their minds. I recall what they said when I said that. I said, at a dinner organised by the Federation of Small Businesses just after the Referendum, in the Khaima at the Rock Hotel:

This referendum has been won by those who put a false prospectus before the United Kingdom public.

The hon. Gentleman opposite, then the Leader of the Opposition, for whom then I had very little regard, said I was wrong to say that and that I would be confronting the Brexiteers, who have to be our best friends going forward. Well, look, that was my position then; it remains my position now. It was not their position then; it has become their position now. So, even in dealing with issues like that, all that hon. Members opposite is to attempt ... become like chameleons (*Laughter*) – I cannot conject it – and morph into the arguments that we put then, which they said then were dangerous arguments for Gibraltar which we should not put. Now they put them. It is still our view: they have come round to our view. It took them two years. I think I will demonstrate today why two years from now they will be adopting the things I am saying today about this Withdrawal Bill if it becomes necessary to see it pass into effect.

One of the key things that they said that we needed for Gibraltar, that we wanted for Gibraltar, that had not been secured and that should have been our aim and that is not secured by the Withdrawal Agreement and that we have not delivered in our unambitious approach to the Gibraltar negotiation, is freedom of movement and single market access. Those should have been our aims, he said. Well, it really hurts me to say that today the GSD is led by a man who obviously does not understand what the Withdrawal Agreement does, because we could

disagree about aspects of the Withdrawal Agreement – of course we could, and in fact we could agree about the Withdrawal Agreement and whether we like it or not and whether we would like it to do some things or not, and I will turn to Mr Feetham in a moment because there was maybe large measure of agreement between what he has said and what I believe, which I will now deal with – but to say that hon. Members will be voting against the Bill because it does not deliver a deal on freedom of movement or freedom of access to the single market is such a failure of understanding that it leaves me unable to take seriously anything the hon. Gentleman ever says again, not just in relation to this subject – if he ever agrees with me in future I will go back and check my work. What the Withdrawal Agreement does in its Gibraltar Protocol and in its MoUs is apply the Withdrawal Agreement to Gibraltar in its entirety. That means the transitional period, which is what the Withdrawal Agreement delivers, which means that freedom of movement and access to the single market continue to be enjoyed by Gibraltar for as long as those freedoms are enjoyed by the United Kingdom.

So, what an own goal! What a lack of understanding to have allowed himself to become the finger puppet of those outside this House who have similarly failed to understand that those are the benefits that the Withdrawal Agreement, however imperfect it may be, delivers for Gibraltar, because he has specifically said that those are the things we *should have* sought to achieve for Gibraltar in the Withdrawal Agreement. They are achieved, and so the rug is pulled from the hon. Gentleman's argument in the first three minutes of his intervention. Everything else is like a house of cards that collapses upon itself, because of course we achieve that key aim. Of course we do. It continues to be a right of people from Gibraltar to enjoy freedom of movement and single market access from Gibraltar. That is what the Withdrawal Agreement does: it creates that transitional provision. That we do not enjoy those for the future beyond the Withdrawal Agreement, well, neither does the United Kingdom, Mr Speaker, because what this thing called Brexit is designed to do is to take us out of the principle of freedom of movement by dint of our nationality as British citizens and to prevent us from having access to the single market. I would have thought hon. Members would have worked that out simply from watching the rolling news.

Is it possible to agree a deal today about future access to the single market and future freedom of movement? Well, the answer is in the Treaties. Article 50, which is the article under which the negotiations for withdrawal are being carried out, does not allow the European community, the European Union, to engage in negotiations about the future relationship between an ex-member state and itself until after the withdrawal. Don't they understand that, Mr Speaker? Don't they understand that the issues relating to Northern Ireland are about an insurance against a hard border? These are matters of logic and treaty.

If the hon. Gentleman said to me – and I will deal with some of the things that have been said by others – 'I would have done this in a different way and I would have gone that way and I would have changed this word and I would have done that word,' I might have accepted it, I might have had to disagree with him, or I might have had to say to him – as I might in a moment in relation to other matters, to one of the other interveners – 'Well, look, he and I entirely agree but this is what it said before and this is what we negotiated.' But to say you must be judged, and your agreement, or those parts of it that relate to Gibraltar, and your Bill must be judged against a standard which would require you to bust the European Treaties for Gibraltar, to bust Article 50 and do for Gibraltar that which Article 50 specifically prohibits the Commission from doing, which is to negotiate for the future before you have left, is to so foolishly set a standard that it is impossible for anybody to achieve without bringing the other party into breach of the common agreement to which we are all parties now that it betrays a complete and utter lack of understanding of the Treaty. But that is what happens to people who read out speeches that have been written for them by other people. That is what happens when you are writing a speech for somebody else: you do not care if you get it wrong because it is the other fellow who is going to have to blush when he is demonstrated to have said something as foolish as the hon. Member has been put up to say here today.

1480 Mr Speaker, the hon. Gentleman laments and visits on the Government, I think, the fact that
media operators in the United Kingdom sometimes say that the only land border that the United
Kingdom has with Europe is in Northern Ireland. Well, he said British, not United Kingdom. I have
not heard any media say that the only *British* border is in Northern Ireland, but maybe my news
1485 sources are different to his. I know that my children watch on CBeebies a daily news roundup,
which might be the one that he is following, because in the ones I follow there is talk of the
United Kingdom's only land border being between Northern Ireland and the Republic of Ireland.
I would have thought that a lawyer would know that the definition of 'United Kingdom' in
English law is the United Kingdom of Great Britain and Northern Ireland, which does –
unfortunately, for the integrationists amongst those in Gibraltar – not include Gibraltar. The
1490 Hon. Mr Feetham I know is sometimes an integrationist, so I will give him the benefit today of
the cover of his sometimes ad hoc integrationism.

The reality is that in EU law the member state United Kingdom includes Gibraltar by dint of
operation of Article 3(5)(5)(3) of the Treaty establishing the functioning of the European Union
and the case law last year, or 2016, itself on the GBGA. But if you are in the United Kingdom
1495 talking about the United Kingdom, then the United Kingdom's only land border is with Northern
Ireland. That is a geopolitical legal reality. There is another British border here, but he should not
forget that there is another British border way down west between the sovereign base areas of
Cyprus and the Cypriot Republic, and there is a protocol on the Cypriot Republic also in the
Withdrawal Agreement.

1500 Is it surprising that the British media – because that is all we are debating in respect of this
part of what he was put up to say – is more concerned about what is happening in respect of
Northern Ireland, which has turned out to be the sticking point in respect of the agreement and
in respect of which there has long been violence and, thank God, now the Good Friday
Agreement, and not in respect of our border? Well, Mr Speaker, all our media write about our
1505 border every day. All the UK media – and that means the BBC, ITV, Sky News and all the others,
which are just intended to be watched in the United Kingdom, as we have all been reminded of
recently – write about their border. I do not see how that advances the hon. Gentleman's case
at all, but he felt – or someone felt – it was sufficiently important that in determining whether to
support this Bill he do an analysis of what he watches on television. Well, Mr Speaker, it does
1510 not advance his case at all.

But then he decides to say that the issue has been exacerbated by my being – and he
personalises it – the cheerleader of the British Prime Minister. Mr Speaker, I have not stood up
to call the British Prime Minister a great stateswoman – I have not – but she has stood up to say
things about me, all of which, when good, are thanks to the work that my team have done, and
1515 if ever there were anything bad to say about me I take full responsibility. But it is obvious to
everyone who sees this – because people stop me and tell me – that there is just such a huge
degree of jealousy operating on the Opposition benches that a British Prime Minister has been
favourable in her description of the work of the Gibraltar Government and personalised it on
me, because they never had that when they held government. They never had it and indeed,
1520 given their ability to analyse legal concepts in respect of the European Union, I doubt they ever
would. Every time that the British Prime Minister has said positive things about the Gibraltar
Chief Minister in my person they have been well deserved by the team that has supported me,
but all I have said is this agreement works for Gibraltar. I will deal with Mr Feetham's analysis of
the Withdrawal Agreement in a moment, because we might agree that there are things which
1525 are imperfect but indeed, in that, Mr Feetham agrees with the British Prime Minister herself
because the British Prime Minister has said, 'This is not a perfect Withdrawal Agreement, but
don't let the perfect become the enemy of the good.' If saying this Withdrawal Agreement
works for Gibraltar makes me a cheerleader for the British Prime Minister, well, I will be a
cheerleader of any British Prime Minister who does things which are good for Gibraltar – and if
1530 they do not like it, they had better stop watching now because I intend, in the rest of my political
career in whatever role I have, and indeed thereafter, to continue to be a cheerleader for any

British Prime Minister, any British Leader of the Opposition, any Gibraltarian Chief Minister, any Gibraltarian Leader of the Opposition, any Gibraltarian sitting in a rocket chair in this Parliament or anybody outside of this Parliament who supports Gibraltar in the work that they do, and I will do that incessantly whichever position they may be in.

So, they had better stop reading my press releases, stop reading my letters to the newspapers and stop watching my interviews, because all they are going to see is me, with a couple of pom-poms, cheering anyone who supports Gibraltar. That is what they should be doing, that is where their analysis should have led them, but that is because they call saying that this agreement is good for Gibraltar ‘cheerleading’. That is what they call cheerleading. When one does not strip out any aspect of the work of an individual to praise it but simply says ‘I support this’, they call that cheerleading. Well, Mr Speaker. On that basis they say that that has been bad for Gibraltar. Well, look, when I said the Brexiteers had sold the United Kingdom Brexit on a false prospectus, they said I should not be aligning myself against the Brexiteers. When I have said that the Withdrawal Agreement works for Gibraltar and that therefore we support it, they have said I should not be aligning myself with a remainder Prime Minister who is delivering Brexit. When they see us in photographs with Brexiteers, with remainers, with leaders of select committees, with Conservatives, with Liberals, with Labour Members, I suppose they have got nowhere left to accuse us of failing to have support. So, the point – the cheap, silly point – that he was put up to deliver today on cheerleading also avails him of no good reason not to support a piece of Gibraltar legislation needed to secure the integrity of our legal system.

Then he says that Gibraltar voted to remain and sets out all the reasons why Gibraltar wanted to remain, as if he were suddenly the champion of Remain. Doesn’t he know that the Government has always said, in all of our interventions, that our desired, preferred best option is to remain? We wanted that to be the result of the Referendum. We did not want Article 50 to be triggered. We would prefer to see Article 50 extended. We would prefer, most of all, to see Article 50 revoked, especially after the European Court of Justice said that that was a possibility. But this is a Government, Mr Speaker. We are not a dream society. We are not here to sit around doing blue-sky thinking about what we might like to see happen in the next 60 days. We are Government and we have a responsibility to ensure that Gibraltar is in the place it needs to be and protected as it needs to be when the United Kingdom leaves the European Union, as it appears it is going to do. If it does not leave the European Union, we can happily just throw all this work on the back of experience and continue as we are. But we have not changed our views about Remain. We are still remainers having to vote in favour of a Withdrawal Bill.

When they talk about our failure to look for a solution which is different, like the Scots have asked for etc., doesn’t he recall that ...? He is sitting with the party and he was a member of it when they said that our call for a differentiated Greenland-style solution should not have been pursued, and now they are saying the same thing. Mr Speaker, I so miss the logic and the rigour of Peter Caruana, even when he was wrong in my view, because at least he did not flip-flop from one position to another – other than in matters of economics, where he used to get his GDP and his GNP as confused (*Laughter*) as no doubt most of us do, except the Hon. Sir Joe Bossano.

Then he says – and I do not know what on earth this had to do with the magnificent work that the Hon. Deputy Chief Minister has done in presenting this Bill – that our domestic agenda has been on the backburner. But he is sitting next to the man who says that we are spending too much on our domestic agenda (*Laughter*), that we are building too many homes and do not know how we are going to pay for them, and we are building too many schools and do not know how we are going to pay for them. How can they reconcile one with the other? That lack of logic, unfortunately, is what is informing the decision-making of Members opposite on issues as clear and as important as this Withdrawal Bill, that lack of rigour and that lack of consistency.

I really do not know what it is they are going to accuse me of next. They said I have acted too quickly on agency workers and I should have stopped and consulted the unions, just today, but apparently my domestic agenda is on the backburner. Mr Speaker, this is like the time that the Hon. former Leader of the Opposition – former-former Leader of the Opposition – for whom I

1585 have growing affection, used to say ... I am going to start missing even him, Mr Speaker; it has
got that bad on the benches opposite! He used to say one day that the GSLP under Picardo was
just the GSLP under Bossano and that Picardo was the front, and the next week in the same
newspaper would say that Picardo had managed to, Machiavellian-style, get him out of the way
five years ago and now Bossano and Juan Carlos out of the way too. The hon. Gentleman could
1590 not have it both ways and hon. Members cannot have it both ways: either my domestic agenda
is on the backburner or it is moving too fast and it is out of control and the spending is crazy, one
of the two. I ask them just, please, to stop being a moving target for my responses, because I
quite happily respond to both arguments but at least to pause for a moment when it comes to
issues as important as this Withdrawal Bill.

Mr Speaker, if there is no European Union Withdrawal Bill, there is no power to implement
1595 the Withdrawal Agreement. And they are going to vote against the European Union Withdrawal
Bill. He came to the principal reason why they are going to do that. He did not address the fact
that whether we like the Withdrawal Agreement, they like the Withdrawal Agreement or not,
there *may* be a Withdrawal Agreement or there may be a withdrawal with or without an
agreement. If there is a Withdrawal Agreement, then the provisions for implementation of
1600 withdrawal will have to provide for the Withdrawal Agreement, whether we like it or not. How
do they justify that? This is ostrich politics: 'We don't like the Withdrawal Agreement, there may
be a Withdrawal Agreement, there is very likely to be a withdrawal, we are just going to vote no
– you pass this with a Government majority and call us when the bomb has gone off and all the
trouble is over.' That is what they are doing. They are saying, 'We will not support this
1605 legislation, which is essential to secure the integrity of our legal system, because we don't like
the fact that we are leaving the EU and indeed we don't like the fact that there may be an
agreement on our leaving the EU which includes references to Gibraltar.'

First point: they do not deal with the fact that this may become a reality whether or not they
like the Withdrawal Agreement.

1610 Second point: they then go into the parts of the Withdrawal Agreement which relate to
Gibraltar and they say, 'Ah, you see, these are so terribly negotiated, so badly structured and so
bad for Gibraltar that we cannot support the Withdrawal Agreement.' Mr Feetham did a
different analysis. This is the analysis done for the Opposition by the Hon. Leader of the
Opposition.

1615 Mr Speaker, I was reminded yesterday, or Monday, when I saw Mr Clinton and him sitting on
the side, that they are not members of the Brexit Select Committee. They have not made
representation to us since the leadership of the party changed that they might have wanted to
have Mr Phillips in the Select Committee instead of Mr Hammond or instead of Mr Feetham,
whatever. They have not made any such representation. We brought Ms Hassan Nahon in when
1620 she became independent. Then we brought Mr Llamas in when he became an independent –
and then we let him go again when he was no longer independent, Mr Speaker! Nobody from
the other side has said the Leader of the Opposition would like to be on the Brexit Select
Committee. But I thought they spoke to each other on the benches opposite: I may have been
wrong even in that basic assumption.

1625 Doesn't he know that we have had – the Hon. the Deputy Chief Minister knows the number
better than me – countless informal meetings of the Brexit Select Committee? (**Hon. Deputy
Chief Minister:** Twenty-one.) Over 20 – 21 informal meetings of the Select Committee where we
have been informing them and, as soon as we were able to, showing them drafts of the
documentation. And indeed we were prepared, because of the importance to Gibraltar, to give a
1630 briefing also to the leader of the GSD, who is not in this House. In fact, that was not possible
because he had other commitments – *other commitments* in respect of something as important
as this! – when he was offered a briefing by the Chief Minister of Gibraltar when I was here for
24 hours or less and I did my best to brief him, and he had other commitments. But they were
briefed, and when he was finally briefed he proposed that we should change three words in all
1635 the documentation – three words when he read all the documentation – and I said, 'Look, I can't

let you take it. It's my fault I can't let you take it because I don't have the consent of all the other parties who are negotiating this,' – we were all trying to keep it tight – 'but I will let you look at it as much as you like.' He proposed three words of change, and in all the 21 meetings, Mr Speaker, if I may say so, with respect to hon. Members opposite – to the hon. Lady, to Mr Feetham, to Mr Hammond – they have been constructive, positive and supportive. I am not disclosing anything, because the Hon. Mr Feetham has actually said so in his Budget speech this year and I think he has repeated it again in the context of his intervention today, but they proposed three words should be changed. None of the words that they proposed should be changed were in the Protocol or in the MoUs. The three words they wanted to change were in the Concordat.

If there are such obvious deficiencies in the MoUs that they cannot now vote for this Bill – or in the Protocol – why didn't they propose that we should change those obvious deficiencies? They did not. This is the creation of a nonsense argument in order to pretend that they are the hawks and we are the doves. This is an attempt to turn the GSD into the GSLP of 1984 when Joe Bossano spotted the problems with the Brussels – plural – issues of sovereignty and persuaded the public in Gibraltar of how dangerous it could be, and indeed his analysis of the Airport agreement. This is a clear attempt to do that with documents negotiated with all those concerns in mind and creating none of those issues, as I will deal with when I deal with the arguments – the paucity of argument – that they have put in support of their proposition.

These are the reasons why hon. Members say they will not vote for this Bill, although they recognise all of the need for it. Of course, what they are doing – and we are getting used to it – is relying on *our* responsibility as a party, or as parties, and as a Government to give effect to things that are required for this community. This is the Clinton doctrine – and as the New People would say, not Bill Clinton, the other one (*Laughter*) – the doctrine that although you know that there must be a Budget and that the spending must be made and that civil servants must be paid, and they would like to also, some days, pretend that they are the champions of civil servants whilst at the same time they vote not to pay them, and this is 'We know that there is a need for this Bill to guarantee the integrity of our law, but we are going to play a game on one clause in the Withdrawal Agreement, we are going to pretend that we don't like them, even though we said nothing about those agreements or MoUs when you showed them to us, and we are going to rely on *you* to pass it.'

I commend the hon. Lady for having the gumption to sit alone on that side of the House and demonstrate the same level of responsibility that we as a Government are having to show.

We will get this Bill through this House with the Government's majority and the vote of the hon. Lady, and the community will have its legal certainty and the ability to see a continuing functioning of our *corpus juris* after 29th March, whether or not they vote on the lacking-incogency principles that the hon. Member has put, or the more genuine views that Mr Feetham has put, which I will address in a minute.

Unfortunately, Mr Speaker, it is clear to us that the only person who should be described as a cheerleader is perhaps the hon. Gentleman opposite, who has come here to do the bidding of somebody else. If I felt I needed support for a proposition in respect of a matter of international relations, the first person I would turn to would be the founder of the GLSP, Sir Joe Bossano. He sits in the Cabinet in which I sit and the Cabinet have been fully briefed on the MoUs and the Protocols and he has explained today that he considers that there is no reason to vote against them and explained why.

So, the first and most difficult hurdle to pass for something that involves an agreement with Spain through the MoUs, signed by the United Kingdom and Spain: Joe Bossano. That is like going through a ring of fire. Second, the person who achieved trilateral agreements with Spain.

Well, I do not have to ask him what he thinks because the hon. Gentleman has said that we have squandered the significant gains of Peter Caruana. I suppose the hon. Gentleman was too busy setting up his office in France – where I assume he is going to be taxed on his earnings and for which I heartily congratulate him; I shall buy him a yellow vest for his weekends, Mr Speaker,

on the Champs-Élysées (*Laughter*) – because he obviously did not watch Sir Peter Caruana on *Viewpoint*. Sir Peter Caruana, on *Viewpoint*, did an analysis – the transcript of which I will send to him, Mr Speaker – which, unfortunately, is lacking in this House on those benches today. What he said was you cannot compare the trilateral agreements – which were not signed, which were political agreements – to this situation in the EU, where the member state United Kingdom has always represented Gibraltar. The hon. Gentleman says he saw that. Well, I wish, for what was left of my respect for him, that he had not said that, because if he did watch Sir Peter Caruana's analysis and he has said the things he has said today, he is even more of a fool than I thought, because if Sir Peter Caruana has said that it is completely different to negotiate political unsigned agreements, the value of which Sr Margallo showed us, versus signed Treaties, then, and in the particular context in which these agreements arise, the hon. Gentleman should not have allowed anyone to write for him the things that he has said today in this Parliament, especially if he had watched Sir Peter Caruana.

I will not burden the *Hansard* by reading out what Sir Peter said, today – I expect I will have another opportunity to do so – but his analysis was the right one, and the hon. Gentleman opposite's analysis is the wrong one. But his analysis is not just the wrong one on the MoUs and the Protocols; his analysis is the wrong one of the juxtaposition of the trilateral agreements under Cordoba and the bilateral element of the agreements which are contained in the MoU, even according to Sir Peter Caruana, who he is praying in aid for his analysis.

Mr Speaker, then the hon. Gentleman says under the MoUs Spain has achieved for its workers permanent rights and we have achieved nothing. It is boring in the extreme to have to go back again to basic principles. The MoUs are, like the Withdrawal Agreement, reciprocal in nature. We have achieved the same as Spain may have achieved. So if there are citizens' rights that are recognised as enduring, then they are recognised as enduring as much for Spanish workers as for British Gibraltarian workers or citizens, as are agreed in the Withdrawal Agreement. So that argument is completely flawed – not just lightly flawed, *completely* flawed. It is wrong. It is wrong in law because the Withdrawal Agreement is a legal document. And he is a lawyer, Mr Speaker – how can he say this? I wish he had given me a good argument to have to wrestle with, not a nonsense argument to wrestle with. Spain has not achieved anything permanent that we have not also achieved in a permanent way.

And indeed he and other members of his party say that we have ceded control. That is the next argument that he has put. I have said so already, so I am surprised that he is taking me to that argument again. Look, it is all right for somebody, who has no responsibility in this House and who does not draw a salary from the taxpayer, to write to the *Chronicle* and say 'nonsense' – of course it is; or to go on Facebook in your 60s and write long blogs which say 'nonsense' – of course it is fine. Freedom of speech. Enjoy your lack of professional responsibility these days and write all that. That enriches society, Mr Speaker, but it is nonsense. And it does not matter that it is nonsense, but if the hon. Gentleman says Spain has achieved control over Gibraltar and he has forgotten that the agreements are reciprocal, then what he is saying is that Gibraltar has achieved control over Spain. So, in those areas where he says Spain has achieved control over Gibraltar in respect of the MoUs, the geographic ambit of which is the geographic ambit of the municipalities that make up the Mancomunidad de Municipios, we have achieved *equal control*.

Does he know what he is saying? He is either lauding me as the Chief Minister who has achieved more than any other in history – which I do not believe I am, Mr Speaker – or he is demonstrating his facile lack of understanding of what it is that the MoUs contain. Is he saying that I have, somehow, some control over Tarifa and its municipality? If so, I shall ensure that I never want for a table at the Hurricane Hotel again! What utter tripe! Why does this community have to endure these arguments on something as important as this? But I have to address it in trenchant terms, because otherwise there might be some who might be persuaded that somehow the GSLP, with Joe Bossano in the Cabinet, has ceded control of the most slightest of issues over Gibraltar to Spain, when the obvious reality of the MoUs is that they are reciprocal. If that is what he is saying and we have ceded the slightest control, we have also gained control

1740 over the geographic ambit of the application of the Withdrawal Agreement MoUs, which is all of the municipalities that make up the Mancomunidad de Municipios. Mr Speaker, I am neither a cheerleader nor a hero who has achieved that control over those municipalities, but I have to address these arguments because they are put seriously by the hon. Gentleman.

1745 There is no question of any regulation being done by anyone in respect of Gibraltar under the MoUs and the Withdrawal Agreement. What there is is a continuation of the process under which we are subject to EU law, and what happens under the Withdrawal Agreement ... And he might benefit from writing this down for his legal analysis. Should he ever be involved in litigation in respect of this, he might be able to make a bob or two out of what I am about to tell him. All that happens is that the Commission, as the reporting agent through which 28 go, 1750 changes and morphs into the joint committee at the top with reporting through the committees. In the same way as today hon. Members could say – because it is a Brexiteer argument, the one that he is making – ‘Ah, well, we have lost sovereignty because the European Court of Justice can determine what happens in the United Kingdom,’ we have lost sovereignty because the Commission can determine what happens in the United Kingdom. Well, according to them, I 1755 have given up sovereignty of Gibraltar, and control, because the joint committee at the top can determine what happens in Gibraltar; the joint committee is there instead of the Commission.

Today we can be told what to do with our tax law by the Code Group of the European Commission. We have been told what to do with our tax law, at the instance of Spain – exactly the same analysis that he has made, except under the Withdrawal Agreement it lasts two years 1760 and there is an equal representation of Gibraltar and UK versus Spanish in one committee and, at the top, the UK versus the EU. And then it goes into international arbitration. So, if he was making that argument seriously – like a Brexiteer, and it appears that there is more than one of them loose in the GSD – then his analysis would be more dangerous about continued membership of the EU, which he professes to want because he says he is a remainer, than about 1765 the Withdrawal Agreement and its application. That is the level of lack of logic in what we are having to deal with today.

But let’s be very clear: the position of the GSD now seems to be that, they dislike, for all of the impossible-to-support reasons that they have put, they dislike the Withdrawal Agreement so much that they would rather see Gibraltar not part of it. But let me just make them imagine one 1770 thing. Let them go back to the first emanation of clause 24, which suggested that even the Withdrawal Agreement might not apply to Gibraltar. Their panic then was that there could be a Withdrawal Agreement that might apply to the United Kingdom and might not apply to Gibraltar. We did not panic; we just acted to ensure that if there was a Withdrawal Agreement it would apply to Gibraltar, because you see, Mr Speaker, therein lies the rub, as Sir Joe Bossano has said on a number of occasions. Perhaps they will have more regard to me referring to his 1775 explanations of this. If there were a continuation of membership of the EU transition for two years which applied to the UK but not to Gibraltar, that would put Gibraltar at a serious commercial disadvantage, and yet that is what they are saying they appear to prefer because they are not prepared to pay the price of this non-cession of control which they fail to be able to 1780 analyse. In effect, what they are arguing for, what the GSD is arguing for today, is a hard Brexit for Gibraltar on 29th March, whatever happens.

Mr Speaker, if the price of forming part of the transitional period was any concession of sovereignty, jurisdiction or control in respect of Gibraltar, neither Joe Bossano nor Joseph Garcia, nor Paul Balban, nor Neil Costa, nor Gilbert Licudi, nor Samantha Sacramento, nor Albert Isola, nor John Cortes, nor Steven Linares, nor Fabian Picardo would be prepared to pay for it. 1785

We went through the ring of fire in the analysis, as I said before, of Joe Bossano, we went through the ring of butter of Sir Peter Caruana, but we would not have stepped through a ring that required us to concede any sovereignty, jurisdiction or control to achieve being part of the transition period. We would not have done it and I know that if we had had to take that 1790 position – which we have not had to take – the first people to blink in this House would be the hon. Members sitting opposite, not us, because as Sir Joe said, we do not do blink when it comes

to sovereignty, jurisdiction or control, Mr Speaker. We would rather, in the words of the redoubtable Arlene Foster, have our eyelids removed. *(Laughter)* They would have been the ones trembling in their boots. What we have achieved is access to the transition and not to have to make cession of sovereignty, jurisdiction or control.

But what is it that makes them think that anyone in this community will believe – and this is the point that they were getting to – that they could have done better? What makes them think that they could have achieved a better result? I am not going to say that they would have done worse than us. I am not going to make that argument – although I should make that argument, by doing a careful analysis of the GSD's position on historic issues like Brussels etc., but I am not going to do that argument. I am going to assume that they would not have done worse than us. But what makes them think that they would have done better, that Elliot Phillips and Roy Clinton would have done better than Joseph Garcia and Fabian Picardo, or any combination of them, perhaps even people who are not Members of this House, who might have magically been allowed into the room although they are not Members of Parliament, who might have then been allowed to become involved in the negotiations? What makes them legitimately say to the community 'We would have done better' with a leader who is not elected to this House, who has failed to persuade the public in Gibraltar in 2007 and 2011 to elect him, with members of the party opposite who had to abandon their parties in order to be able to get elected to this House?

What makes them think that, not having been able to persuade the electorate in Gibraltar to choose them, they would have been able to persuade the Commission and the United Kingdom and Spain to give them more than we were able to persuade them to give us? Their intellect? No doubt they are all cleverer than us, Mr Speaker. That is how they see themselves in the mirror every morning. No doubt, they are all cleverer than us. Their ability? Their hard work? They all, no doubt, work harder than us. They are all more able than us. Or their charisma? They are all known for their charisma. Maybe that is what has persuaded them all as they shave in the mornings. Some of them no longer shave in the mornings – and when you shave sometimes you make mistakes, like I did the other day. *(Laughter)* Is that what persuades them that they would have done better than us, Mr Speaker?

I really think that if you are going to put an argument that says that this is not good enough and that we should have done better because they would have done better, they have to be able to sustain it. We have heard not one argument to suggest that we failed to analyse in a particular way. All we have heard – and I thank him for it, Mr Speaker – is that the Hon. Mr Feetham has said repeatedly in his interventions, in particular at Budget time, and indeed when we asked in Brexit Select Committees 'Is there anything else you think we should be doing?' he always gave the same answer: 'You are doing the right thing, you are leaving no stone unturned.' And now the other half of the team says that they could have done better.

I am sure that it is the charisma element that they carry that would have enabled them to persuade everyone to do the deal their way and not our way. Look at the evidence, Mr Speaker. Without going back to Brussels, which Government was it – I am asking rhetorically, don't worry – that gave up on the Gibraltar ID card and agreed that it should carry 'UK' instead of just 'Gibraltar'? I am asking rhetorically, don't worry. Everybody knows it was not the GSLP. Which Government was it that agreed that the Gibraltar iteration of the driving licence should be changed to say 'UK' rather than 'Gibraltar', like the ID card? No, I am asking rhetorically, don't worry. Everybody knows it was not the GSLP. It was, after 1996, the GSD. Indeed, it was the GSD not of Mr Feetham; he was then a loyal member of the socialist family. It was the GSD – *(Interjections)* Sorry, you are right. I should not have said 'loyal' – a member of the socialist family! *(Laughter)* It was the GSD of Peter Caruana, Peter Montegriffo, great politicians of their time now gone, Keith Azopardi ... I can remember all the others but I do not think I have to. It was that Government of Gibraltar led by them that gave up on issues that some of us regarded as fundamental. But what is it that persuades them that they could have done a better job now?

They are going to rely on us and our sense of responsibility to pass this Bill. They are going to rely on our concern for this community and its continued functioning to pass this Bill. They are going to rely on us, like they rely in every Budget now, to pass the Bill that delivers for the whole community, and the whole community knows that, Mr Speaker, because the whole community relies on us because it knows it cannot rely on them.

They are going to do this from the comfort of minority, from the comfort of ineffectiveness and from the comfort of opposition. At least other Members opposite, like Mr Feetham in his analysis, which is a different one, and Ms Hassan Nahon, have understood the issues and analysed them in a different way. And Ms Nahon is going to be voting with the Government from the discomfort of a minority of one; from the discomfort of that minority because it is clear that when the chips are down, when it comes to this Government and that Opposition, it is only the GSLP-Liberal Government that is ready to be the one to stand and fight and to take our community through this difficult legislation and ensure that all of those who practise law and who need the law will have the tools that they need.

In that context, to have heard in the past two weeks a call for a General Election by a party that today is not even going to vote in favour of the Bill necessary to implement the Withdrawal Agreement – or rather the withdrawal from the European Union, perhaps not even the Withdrawal Agreement – is to understand the lack of responsibility.

So, the Chief Minister of Gibraltar goes on television, whether you like him or not, after the festive period to do a New Year's message, and says, 'Look, I know it's an election year, but the community should have the comfort' – and in that I include Members opposite – 'that, for the first three months, we are dealing with leaving the European Union. It is really difficult. There is not going to be a General Election because it would be irresponsible.' Then – in fact, just before – we are surprised by a *Panorama* poll that says that we would have a stonking majority if I called an election now. Mr Speaker, I never comment on polls, whether they are good or whether they are bad, but I wonder how somebody who sees his party go down in the polls lower than even when it was led by somebody who was not of GSD stock, according to some of the purists, calls for an election now. I am absolutely flummoxed. That level of irresponsibility with the party they can do if they like, but that level of irresponsibility with Gibraltar I will not tolerate without calling it out, and that is why I have dealt with the hon. Gentleman in the detail I have had to deal with him in the context of the foolishness of the positions that he has put in respect of the GSD.

Mr Speaker, Mr Feetham then did an analysis of the Withdrawal Agreement, much of which I might share. Even the Prime Minister, as I said before, has said that the Withdrawal Agreement is not perfect, and I said – when I was talking in this House, I think, on one of the Statements and the hon. Gentleman had made the intervention supporting a people's vote – that I saw why that was attractive and as an individual, as a Gibraltarian, I could see why he would take that position but the position of the Government had to be an intergovernmental negotiating position and the governments in the United Kingdom – and we negotiate with the government, not with the Parliament – is taking a position and that is all that they are offering us, Brussels and all the other European capitals, and indeed the Parliament. Last night the Prime Minister supported an amendment to the potential backstop, which she is going to now go with the support of the House of Commons to seek from Brussels, but the Withdrawal Agreement without modification is what is on the table. But the hon. Gentleman says, 'Look, I don't like it,' and he almost says, 'I don't have to support this because I'm not in government and therefore I want to tell the community what I feel, and I remain a remainer.' Mr Speaker, perhaps if I were sitting where he is sitting I would take that position from a point of principle, except I might say, 'But I am reluctantly going to hold my nose, lift my hand and support this Bill because I understand its importance in the context of the integrity of the laws of Gibraltar.'

There is one aspect of what he is saying, however, with which I cannot agree, because he rightly does the analysis that in the period of transition as the UK and Gibraltar are negotiating a future relationship with the European Union, Spain may put a price on aspects of that

1895 relationship applying to Gibraltar which we are not prepared to accept. But he has also, in rightly
doing that analysis, I think brought himself into flat contradiction with himself – something
which, when he was Leader of the Opposition, I always enjoyed pointing out, as he does it
often – because he said, ‘I will remain a remainder even after the United Kingdom has left the
European Union: I would like to see us going back in,’ except that of course we would then be
1900 joining a club of which Spain is a member, and in the same way that they will be putting a price
potentially on aspects of our involvement in future arrangements between the United Kingdom
and the European Union, the hon. Gentleman can imagine – and I know he needs no persuading
of this – that they would be putting a price on the United Kingdom coming back in, insofar as it
relates to Gibraltar.

1905 So he and I might agree, if he said to me that he remained a remainder, as I will, but that I
would be very cautious indeed if the United Kingdom ever wanted to go back into the European
Union and I might be a reluctant non-joiner at that time if the price put on the table by Spain
was a price too high. And I am sure that he would agree and that he will therefore see that his
analysis and the reasoning why he does not want to support the Withdrawal Agreement –
1910 because of the transition period giving rise to opportunities for Spain in that negotiation to
extract a price from Gibraltar – does not stand up to logical analysis. I am sorry to have to say
that, because I had wished to be able to agree with him in the context of what he was saying
today because he started off going down a road where he and I would have been in agreement.
But I respect the fact that he says that he just does not like the Withdrawal Agreement because
1915 he did not analyse it from the point of view of the Protocol and the Memorandums of
Understanding; he analysed it from another point of view, one which is generally one which all
of us who were remainers and are remainers would understand.

I think I have summarised all the things I needed to say about his intervention, Mr Speaker,
and I think he understands what I have said without me having to take him through each of the
1920 things that he said and why they led me to those specific conclusions.

Finally, Mr Speaker, the hon. Lady spoke about why she is going to constructively support the
Bill, and I want to thank her specifically for doing so because the one thing that she said which I
need to correct her on, if she will allow me, is that we do not need her vote to support this Bill.
We can get this Bill passed without her support. The hon. Lady is not going to stop the Bill being
1925 voted down with her support, because the hon. Members opposite have not got the numbers to
vote the Bill down, and therefore I think her support is even more important to us.

I want to specifically address that point because she does not need to support us. She could
have taken the comfortable position that hon. Members have been trying to take to
masquerade in front of the public of Gibraltar and do a pretend Dance of the Seven Veils where
1930 they are going to pretend to be hawks and not show us their dovish bellies until it is too late.

A Member: What a horrible thought, but okay!

Hon. Chief Minister: She could have done exactly that, Mr Speaker. She has chosen not to.
1935 Because we do not need her vote, she could have comfortably said, ‘These people are going to
pass this Bill. I am going to go down the pretence of being against it and I might catch a few
votes on the way.’ More power to her and greater respect that she has decided to support us
despite the fact that we do not need her vote and has been responsible in the analysis that she
has done. That might make hon. Members realise why they were so foolish in calling for an
1940 election now, or indeed it might give away why they are calling for an election now – it might
not be me that they are so afraid of. It may not be losing the election that worries them so
much; it may be completely losing their seats that worries them.

The Hon. Mr Clinton tried to find a way to squirrel out a technical point because he likes to
pretend to be a worm of technical points. Well, Mr Speaker, I hesitate to say that he
1945 overanalyses and tries to over argue his points to such an extent that it becomes blindingly
obvious that there was never there a point in the first place. Of course the Protocol is an

agreement to agree a taxation agreement – it specifically says so. The hon. Gentleman I think wanted to demonstrate that he had understood that to an extent because he wanted, I think, to demonstrate to us that he could read, because that is all that it takes. The part of the Protocol that deals with the tax agreement says this:

TAKING NOTE of the Memoranda of Understanding concluded between the Kingdom of Spain and the United Kingdom on [xx] November 2018 in relation to citizens' rights, tobacco and other products, cooperation on environmental matters and cooperation in police and customs matters,

And there is now a date that can be inserted there. And this is the operative bit –

as well as the agreement reached on [xx] November 2018 to conclude a treaty on taxation and the protection of financial interests,

Mr Speaker, there could be no clearer an agreement to agree. This is not a reflection of an agreement done; it is a reflection of an agreement to agree an agreement. Lawyers will tell him – well, some lawyers, junior lawyers, first-year law students, though perhaps the lawyers on his side have not told him – that an agreement to agree is not enforceable. But, of course, in matters of treaty an agreement to agree demonstrates goodwill. What there is is a desire to be able to finalise that agreement, but what there is not, is yet a settled text of that agreement, because legal scrub for the Treasury, for us and for Spain, in respect of a tax treaty means very detailed check and countercheck against other treaties to ensure territorial ambit etc. So there is not yet an agreement, the text of which is stable, which he can be shown. Text stabilisation has come in respect of the MoUs; it has not come in respect of the tax agreement. That is because we will have to be very careful indeed in respect of what final terms are included there, because there will be taxpayers' rights in play and therefore we need to know that what we agree is entirely in keeping with the provisions of what we expect to agree and not make any mistakes in an international treaty.

Mr Speaker, in respect of the Protocol, the hon. Gentleman also tells us that there is a reference which is dislikeable to him where the Protocol recitals talk about 'emphasising also the need to combat fraud and smuggling and to protect the financial interests of all the parties concerned'. He says he does not like that. Mr Clinton does not like that because he says that that paints us like pirates in a den of thieves. The hon. Gentleman has to be careful not to see himself reflected in those allegations, because this does not say Gibraltar. This does not say 'emphasising also the need to combat fraud and smuggling from Gibraltar and to protect the financial interests of the United Kingdom, the European Community and Spain from Gibraltar.' It does not say that. What this says, in a Protocol between the European Union and the United Kingdom ... It is a Protocol between the European Union and the United Kingdom about the need to combat fraud and smuggling to protect the financial interests of all the parties concerned. So, which could be the parties concerned? The parties to the Protocol are the United Kingdom and the European Union. The most interested parts of the United Kingdom and the European Union are Gibraltar and Spain. So, all those parties concerned imputing through the United Kingdom all the other member states, all the other 26, are the UK, the EU, Spain and Gibraltar.

I know that they have been chasing these unicorns that are often referred to in the context of the negotiating position of some Brexiteers in the United Kingdom, but I will let him into a secret which I am happy to share with the whole of the community: when that phrase first appeared it was not so obviously reciprocal and of all the parties concerned. When that phrase first appeared it was about combating fraud, smuggling and many other ills from Gibraltar doing damage to Spain, and that was not acceptable. That was not acceptable because the clause there now, the clause on the paper today – although I am reading it on an iPad – does not say that. It says 'all parties concerned'. Why? Because there is a lot of fraud perpetrated on Gibraltar by people living in Spain. The hon. Gentleman just has to ask the Chamber of Commerce and the

GFSB about people who come and trade in Gibraltar and do not pay tax in Gibraltar. The hon. Gentleman just needs to know that there are many Gibraltarians and people of other nationalities who come through the Frontier and do not declare goods that they buy in Spain and they want to smuggle into Gibraltar. The protection of the financial interests of all the parties concerned includes all that duty evaded and all that tax avoided in Gibraltar. Indeed, one of the points I am keen to make to anybody who might care to ask me, in respect of those people who think that there is Spanish money avoiding Spanish taxation invested in Gibraltar, is that actually it would be a very bad thing if that money was here, even if it was properly declared in Gibraltar, because a lot of the money in Spain originates from money laundering, fraud and corruption and I know that most financial institutions in Gibraltar do not touch moneys from Spain because it is almost impossible to demonstrate a clean trail of money. And so the way I read this is to combat those frauds and that smuggling which is perpetrated on Gibraltar and protecting the financial interests of our finance centre from that dirty money emanating in Spain. If he wants to persuade Gibraltarians that there is not a threat from that dirty money, from that smuggling and from that fraud, he had better go and persuade the Chamber of Commerce and the GFSB that what happens when people from Spain come and trade in Gibraltar without properly registering and without properly paying their taxes is not fraud, because I am very clear that it is.

And so, Mr Speaker, what emerges is a clause that is reciprocal to all the parties concerned, and if he had ever run a negotiation about anything he would know that there was a starting position from us which was also different to this, in the same way as there was a starting position for them which was different to this in respect of almost every clause, and what is settled is the anodyne meeting in the middle reciprocal obligation in respect of which he can look up the *Hansard* of the way that I have dissected some of the foolish arguments put by the Hon. the Leader of the Opposition.

So, has the tax agreement been signed? No. Is it therefore in a state in which he can see it? No. Is it a double taxation agreement? No. Is it in some respects akin to a double taxation agreement? In some respects, yes: it is a bespoke agreement designed to deal with the nuances of the relationship between a small territory like Gibraltar and a member state of the European Union like Spain, to work reciprocally for the benefit of Spain and Gibraltar tax authorities, which is the way that it should be. When it is signed it will be published and the hon. Gentleman will, that night, no doubt be settling down with a whisky or a coffee to enjoy going through it in detail, like no doubt will all other members of the community.

Mr Speaker, in 1984 this community had the benefit of a careful and detailed analysis of the Brussels Agreement that emerged between Sir Geoffrey Howe and his Spanish counterpart. In December 1987 it had the benefit of an Opposition led by Joe Bossano and the GSLP in a careful analysis of the potential implications of the Airport Agreement. That party is now the party in government. We do our analysis of what we sign Gibraltar up to before we sign Gibraltar up to those obligations, and we are sure that they are safe commitments for Gibraltar that can be commended to the whole community. Today, Gibraltar has a principal party of opposition that wants to ape Joe Bossano but is making monkeys of themselves in the process.

I therefore commend the Bill to the House. (*Banging on desks*)

Mr Speaker: The Hon. Trevor Hammond.

Hon. T N Hammond: Thank you, Mr Speaker.

I was not going to speak this afternoon. I thought it was going to be a relatively straightforward session, actually, in which the respective proposers put their positions forward, and it is a bit of a shame that we have come to this particular position, where a relatively small difference of opinion with respect to the vast majority of this piece of legislation ... because the differences, with respect to this specific piece of legislation, between the two parties, the GSLP and the GSD, are relatively small, between the Government and the Opposition. The Chief

Minister has, of course, in his inimitable way, managed to make that small difference ... He has managed to drive a huge wedge and make it appear like a huge difference in the most fundamental issues regarding the legislation, but on the whole the differences are not so great.

If I may just begin by going back to the Select Committee, which has been mentioned a number of times this afternoon – the fact that it has met on 21 occasions and all those occasions have been, indeed, very cordial. It has been an honour to serve on that Select Committee, in which we have been briefed, sometimes quite extensively but that is all. And those briefings have been in confidence, so obviously any information we received from those briefings received very limited circulation. Often those briefings were pretty much about meetings that took place, in terms of times and dates and who with, not necessarily ... although occasionally we were briefed of the substance of those meetings.

But I think an opportunity was missed with respect to the Select Committee. I think when we set out, the Select Committee – for instance, we asked for representations from the community to be heard by the Select Committee. In the 18 months or so that the Select Committee has been established – and I know representations were made by organisations from the community – not once have we sat to hear what the community or those organisations wished to tell the Select Committee, and that might have helped us and informed the direction that Government took with respect to these negotiations. Had we done so, had the Select Committee been used on a more formal basis, rather than the many informal occasions that it was used, perhaps the outcome of the current situation could have been more agreeable.

But we are where we are, and as I say, we are not so far apart. In terms of the legislation specifically, we are very close and indeed my hon. Friend Mr Feetham did offer us an opportunity when we met only on Monday – offered the Government an opportunity – whereby we may have actually been able to pass this legislation with the unanimity of the House if only some minor amendments were made which would at least separate the politics of this from the mechanics of the legislation itself.

It has been clear that the Government has known what the political position of the GSD is for some months with respect to the Memorandums and the Protocol, so it is not fair for the Government to suggest that somehow it has not been clear or it has not been made clear during Select Committees. It has been very clear and very publicly aired what the differences are and what are the disagreements that we have with respect to the Protocols themselves.

I have to very much agree with something the Chief Minister said, and that is that we do need to look forward as well, and the GSD will support Government's endeavours looking forward – of course, when they are in the public interest; and we all want Gibraltar, as the Chief Minister said, to do magnificently well.

'Public interest' is a phrase that has occurred on a number of occasions this afternoon and evening. Indeed, the Speaker referred to it in his ruling on Mr Clinton's question. It is also brought up in clause 12 of this particular legislation, where this legislation permits Ministers to make regulations when the Minister believes it is urgent or necessary in the public interest. That is quite a lot of power, bearing in mind the subjectivity that is attached to 'public interest' and what is specifically in the public interest. Therefore, there may be occasion, where we disagree in the future over particular legislation or regulation, that we may not have an opportunity to do so in this House, so it may have to happen outside of this House purely because a measure is introduced by a Minister which, whilst they may believe it is in the public interest, we may not believe is in the public interest. So that particular clause is probably the only aspect of this legislation, other than the references to the Withdrawal Agreement, that we struggle with on this side of the House.

The Chief Minister has spoken at great length regarding how good a deal the Memorandums of Understanding and the Protocol are for Gibraltar, or the best possible deal at least that could be achieved. Whether or not we could have got a better deal or would have got a worse deal is all, of course, hypothetical and frankly irrelevant. The fact is – and I believe this is unprecedented – within the structure of the MoUs what we have is a format in which

2095 committees are formed where the Spanish representation holds the majority insofar as there are seven Spanish representatives, six Gibraltar representatives and one representative from the UK, and of the Spanish representatives four of them are from Spanish central government, so it is not even as if we are speaking of representation on the Spanish side from the local area, where there may be particular local issues and particular interests. No, four of those
 2100 representatives ... So, even on the Spanish side it is very much going to be led by the nose by the Spanish central government, whose interests may not be the same – will not be the same – as those of Gibraltar and may not even be the same as those of the local community around Gibraltar. So, therein we have the first problem with the committees.

The second problem with the committee, of course, is that there are six Gibraltar
 2105 representatives and one UK representative. Can we rely on the UK representative to always be on the Gibraltar side? Well, perfidious Albion, no, of course we cannot always rely on the UK representative. That will very much depend on the outlook of the UK government. So, far from having even an equal stalemate on the committees, we actually have a position where Gibraltar is in a minority, very much as we are in this House.

2110 And then, of course, should the committee be at loggerheads, we go to an arbitration which is between the EU and the UK, again to the exclusion of Gibraltar. I accept to some extent the Chief Minister's intervention with respect to that and how it already exists. However, the circumstances are somewhat different than they are with respect to the current relationship with the EU, and the influence of Spain will be much greater, I believe, in that arbitration
 2115 committee as opposed to the situation with the influence that Gibraltar has through the UK.

So, we are in effect, through these MoUs, giving Spain some control with respect to many aspects of the environment, and certainly with respect to gathering information we are allowing them, through these committees in which we do not have a majority or even a stalemate position, to send scientific vessels into our waters to do goodness knows what. You may argue
 2120 we can send scientific vessels into their waters. Well, I do not think we have any, to start with, but even if we did we probably could not because it would not be possible.

We are giving them information with respect to our bunkering activities, we are giving them information with respect to land reclamation, we are even allowing them to influence our tobacco pricing. (*Interjection*) and I note with respect to tobacco pricing that the differential that
 2125 is quoted is between Spain and the Balearics but Ceuta, Melilla and the Canary Islands are excluded, so presumably they can carry on setting their low price regime whilst we are forced to maintain a differential between mainland Spain and ourselves, which may or may not have a direct impact on our economy but it is definitely a control on our ability to set our own pricing.

And then, of course, we come to the tax agreement, which the Chief Minister says we cannot
 2130 see because it is still in the drafting stage. Well, I do not see why we cannot at least have confidential access to it in order to inform us as to what ... because at the moment we have no clue as to the content of the tax agreement. We know what is possibly not in the tax agreement, we do not know what is in the tax agreement, and we are expected to vote for a Bill, which presumably will ultimately include that tax agreement, without actually having sight of what we
 2135 are voting for with respect to that particular treaty. So, I do not see how we can be expected, or how anyone can be expected –whether it has gone through the ring of fire or the ring of butter, or whatever it has gone through – to take on trust that this legislation should be passed in this House on the basis of not having all the information available to us. So, I think an opportunity was offered by us to perhaps set aside some parts of this legislation –

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Hon. Chief Minister: Will you give way?

Hon. T N Hammond: I do not think I should, to be honest, because we may not be going home until 10 o'clock if I do!

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Hon. Chief Minister: I will answer it.

Hon. T N Hammond: Obviously the Hon. Joseph Garcia has the opportunity to reply and wrap everything up, so I am sure he will do so. And I have so nearly finished that I really would like to progress forward.

Hon. Chief Minister: Do you want an answer to your question?

Hon. T N Hammond: I think we have had a good debate this afternoon. *(Interjection)*

An opportunity was offered by this side of the House so that we could come to a unanimous agreement. *(Interjections)* That was not taken. I think we could have achieved that. The vast majority of this legislation and the hard work that has been put into it could have been put through the House unanimously. Unfortunately, because we could not come to terms on those relatively minor points, and in particular the political points which could have sat outside this agreement for the time being, we find ourselves in a position where we have to disagree. And although the Chief Minister may like to say that disagreeing with Government is the comfortable place to be, actually – and I am sure he knows from his days in opposition – disagreeing with the Government in this House is most certainly not the comfortable place to be, but if you have convictions about something it is the place where one has to be. Therefore, I agree with all other Members who have spoken, and who have not spoken, that for this particular piece of legislation we must vote against. *(Banging on desks)*

Mr Speaker: We will now have a recess of 15 minutes.

The House recessed at 7.11 p.m. and resumed its sitting at 7.33 p.m.

**Parliament (Amendment) Bill 2018 –
Debate concluded –
Second Reading approved**

Mr Speaker: Does any other hon. Member wish to contribute to the debate? Otherwise, I will ask the hon. mover to reply.

The Hon. Dr Joseph Garcia.

Deputy Chief Minister (Hon. Dr J J Garcia): Thank you, Mr Speaker.

The Hon. Mr Hammond made a point in relation to tobacco and the tobacco issues which are normally ... I do not know whether –

Chief Minister (Hon. F R Picardo): Will you give way? Sorry.

Mr Speaker, I am grateful that, in keeping with the practice these days in the United Kingdom of the government Members giving way to each other, the hon. Gentleman has agreed to give way.

I just want to reply in 30 seconds to two points that the hon. Gentleman Mr Hammond made in relation to tobacco and that Mr Hammond made in relation to taxation. *(Interjections)*

Mr Speaker: I am going to allow the Leader of the Opposition to raise a point of order.

Hon. E J Phillips: Mr Speaker, the last time this happened in this House I believe that you suggested this should not happen again. Unfortunately, it is the second time that it has happened. The Deputy Chief Minister has given way to the Chief Minister after the Chief Minister has made his own intervention in respect of this Bill. He has sat down and the mover of the Bill has been asked to present his reply. There should be no reason whatsoever why the

2190 Chief Minister should get to his feet again – a second bite of the cherry – and we are treated to, well, he says 30 seconds but I anticipate it will be longer than that, in response to Mr Hammond's point on tobacco.

Mr Speaker: What is the point of order?

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Hon. E J Phillips: That is the point of order: it should not happen. *(Interjections and laughter)*

Hon. Chief Minister: Mr Speaker, replying to that point of order on behalf of the Government, you made a very clear ruling in respect of an intervention I was able to –

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Mr Speaker: Yes, and I will rule again.

Hon. Chief Minister: But before you do, let me just give the benefit of the Government's view in respect of what the hon. Gentleman has had to say.

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You made a very clear ruling about giving way in the context of the reply that was being made on another Bill, where I got up because the Hon. Deputy Chief Minister gave way and in effect I delivered what you termed was a reply and had that second bite at the cherry. That is not the situation that is availing here. I have said that the Hon. Mr Hammond said two things – and the Hon. Mr Hammond, in case Mr Phillips has forgotten, spoke after me, not before me – and raised two points, one of which related to the point that the Deputy Chief Minister was going to deal with, which I wanted to deal with, two new factual points, and I am going to give two facts to the House which I hope will enable the House to have a better determination of the facts when it makes a final decision as to how people are going to vote, which does not go to the reply that the Hon. the Deputy Chief Minister is going to make on all of the subjects which affect this Bill. I would have thought if they want information and I am offering it they would be happy to receive it.

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Mr Speaker: The Rules of Debate, 45(8):

A member who has spoken to a question proposed to the Parliament may again be heard, if the Speaker so permits, to explain some part of his speech which has been misunderstood; but when so speaking he shall not introduce any new matter.

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When I ruled against the Chief Minister during the Budget debate it was against the background of a speech of about four hours that he had made exercising his right to reply, and then, when a Member did give way and when he spoke again he made a rather lengthy speech on that occasion with, inevitably, bringing some new material into it, which he is not supposed to do.

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Other than that, the convention usually is that when a Member asks another Member to give way it is a matter of courtesy to do so, by and large, unless the debate gets very heated and then Members are annoyed with each other and they do not want to give way.

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The other thing is that if hon. Members now follow the debates in the House of Commons they will see how advantage is taken by hon. Members by asking a backbencher, or the other way round, to give way in order to make a point. That is happening in the House of Commons. It is not a practice that I particularly endorse as far as I personally am concerned, but it is a practice which that staunch defender of the rights of Parliament that is Mr John Bercow does allow.

So, look, I am going to make a decision. The rule says 'if the Speaker so permits'. I am going to allow the Chief Minister to make a short intervention, no doubt to clarify something that he has said or perhaps to clear up something on which he may think that he has been misunderstood.

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Hon. E J Phillips: Mr Speaker, a hypothetical position that could happen is that my hon. Friend Mr Reyes could turn around and say, 'Can I give way to Mr Phillips to make a further contribution to this House?' It could happen.

2240 **Mr Speaker:** It may be relevant that he should do so. The rule empowers me to exercise the judgement.

Hon. Chief Minister: Thank you very much, Mr Speaker, I appreciate your indulgence.

2245 I think the Hon. the Leader of the Opposition's last intervention smacks a little bit of 'Drat, I should have thought of that!' but anyway, never mind.

Mr Speaker, Mr Hammond said two things during the course of his intervention which I thought I could assist him with, in the context of the debate, but which he did not give way on – as he is perfectly entitled not to give way on. The first was in relation to tobacco, where he said that he was concerned about issues relating to competitiveness with Ceuta, Melilla and the
2250 Canary Islands. I just need to place on the record that he has been very carefully briefed on that. Indeed, when he was briefed on that as a member of the Select Committee, I asked that all phones be taken from the room because of the sensitivity of the way in which we had structured that particular part of the MoU with colleagues in the discussions for the MoUs etc. So, he knows that he need have no concerns whatsoever about that and the general public should not
2255 go away with any such concerns as a result of what he said today.

Second, he is the only one to have said – quite constructively, if I may say so – that he would like to have confidential sight, if possible, of the tax agreement. Despite all the remarks that they have made – indeed all the remarks that were made about the tax agreement – nobody thought of saying 'Could we have confidential sight of it?' In the context of the way that we have been
2260 trying to do things, although the text is not stable and is subject to change I am very happy to offer the hon. Members who are members of the Brexit Select Committee the opportunity to see the current draft of that at an informal session that the Deputy Chief Minister and I will ensure is as soon as we are able to fix their availability.

2265 If he had been a little more generous in the context of my request to give way, he might have found that it actually ploughed a furrow that leads towards greater agreement rather than disagreement.

Hon. E J Reyes: May I, Mr Speaker, ask for a clarification on that point? I understand –

2270 **Mr Speaker:** Just a moment. What is the nature of your intervention now?

Hon. E J Reyes: I wish for a clarification on what the Chief Minister has just said. If I understood him correctly, the Chief Minister has said that he might be willing to give, on a confidential basis, sight to the members of the Select Committee, but as a Member of this House
2275 with equal voting rights I am equally entitled to see it, albeit with the same confidentiality clause. We are creating different tiers amongst different Members of this House, when we all have a vote, so I do not quite square that equation.

Hon. Chief Minister: Mr Speaker, just dealing with that point – and I do not know on what
2280 basis the hon. Gentleman has got up to make the point because it is not a point of order, he was not the one speaking, and the Hon. Deputy Chief Minister having given way ... Mr Speaker, we will deal with this in the way that we have dealt with it in the past, which is namely to say that we offer that documentation, as we have in the past, to the members of the Brexit Select Committee so that they can see it. I am surprised that the hon. Gentleman thinks that this is an
2285 issue, given that it was mentioned in the last intervention made for the Opposition as one of the last points made by them and we have agreed it on the basis of the Select Committee having that information available, as has been the case throughout and nobody has ever complained.

Mr Speaker: Is there any other point any Member of the Opposition wishes to raise before I ask the mover to reply?

2290 The Hon. Roy Clinton. (*Interjections and laughter*)

Hon. R M Clinton: Mr Speaker, this is a very mundane question which I am sure the Chief Minister will not have any problem with. When I asked about the agreement to reach an agreement, can the Chief Minister say that that was actually signed on the same date as the MoUs? That is all I want to know.

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Hon. Chief Minister: Mr Speaker, that is a question of fact which requires me to look back at documentation to be able to give him an answer which is reliable. I cannot give him that answer today because there were so many days and there were dating days and there were non-dating days.

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He looks quizzically, Mr Speaker, but he might work out that I have been without my family and travelling around Europe with the Deputy Chief Minister the Attorney-General and the team on many different days doing many different things, so if there is provision for different dates it is because it may have been different dates – that is obvious.

2305 If he wants me to give him an answer which is reliable, he can ask me and then I can find it, but in this sort of intervention I am afraid I do not want to give information which might not be reliable because there are many different dates when dates were agreed to be the dates that will be included on documentation, because things were agreed on different dates.

2310 **Mr Speaker:** The Hon. Dr Joseph Garcia.

Hon. Deputy Chief Minister: Yes, thank you, Mr Speaker.

Having listened to the contributions by some of the hon. Members opposite, though not all of them, I think the overall impression I am left with is that they have either not read the legislation properly or not understood what the objective of the legislation is. We are not here to debate the UK-EU Withdrawal Agreement; we are simply discussing the legal framework for the departure of Gibraltar from the European Union and making sure that there is an orderly departure by providing a legal framework which works. That has absolutely nothing to do directly with the Withdrawal Agreement. There will be. I think the hon. Members have almost behaved as clairvoyants. They are debating a Bill we are going to discuss but have not even yet published or brought to this House – in fact, neither has the United Kingdom, if I am not mistaken.

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There are two Bills: one is the European Union Withdrawal Bill, which is this one; and the other one is the European Union Withdrawal Agreement Bill, which is the other one. That Bill has not been published yet. So, there are two separate pieces of legislation. I actually explained that in my contribution and I said there is this power in clause 12 but, in case there is no time, the Government nonetheless intends to bring a Withdrawal Agreement Bill to the House so that we can debate the Withdrawal Agreement in which you have the Protocol and from which hang the four Memoranda of Understanding – but they do not do that from this Bill. In fact, if you look at the definition of ‘Withdrawal Agreement’ on page 306 of this Bill, in the definitions section, it says:

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‘withdrawal agreement’ means an agreement

– *an agreement* –

(whether or not ratified) between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU.

It means *an* agreement. Why does it say that? Because this Bill and the UK's Bill were drafted before the Withdrawal Agreement was even concluded.

2335 What I am saying is that we are having a discussion on the wrong Bill, (*Laughter and banging on desks*) on a Bill that has not even been published yet and on a Bill that I am told not even Members of the United Kingdom government and Ministers have had sight of the UK version.

2340 Nothing they have said goes into the legal framework or the legal structure that we intend to set up internally in Gibraltar to provide for our departure from the European Union. I think that just symbolises the confused and jumbled logic which the Opposition apply to this and to many other issues, not to mention the number of contradictions which continue to exist.

A Member: I would not describe logic [Inaudible] as jumbled.

2345 **Hon. Deputy Chief Minister:** The Hon. Mr Phillips said that he supported the desire to put legislation in place to provide legal certainty – yes, that is what the Bill is doing – and that they supported most of the Bill. Other Members said they supported 99% of the Bill and they mentioned that they did not want to support the Bill or vote in favour because it would endorse the Withdrawal Agreement. Mr Speaker, it would do nothing of the kind.

2350 As I said earlier, I think they have either not read the Bill or they have not fully understood it. Certainly they did not listen to anything which I said. I think they came here with predetermined ideas about how they were going to come here and have a go at the Government about the Withdrawal Agreement – (**Hon. Chief Minister:** Written speeches.) with written speeches, without being open to the possibility of being persuaded by the Government that they were
2355 mistaken.

If they look at the definition of a withdrawal agreement, they will see that it is a neutral definition which speaks of *an* agreement, not *the* agreement, and as I said, there is a distinction between the European Union Withdrawal Bill and the European Union Withdrawal Agreement Bill, which are two things and which are completely different.

2360 Mr Speaker, clearly this is an important issue to them, because it was something which they mentioned the other day and it is something on which practically all of the Members who have spoken have centred their address. They have all centred their address on the protocols and the memoranda and the number of people on the committees and all the rest of it. If this was so important, why didn't they tell me nine weeks ago when we published a Command Paper?
2365 (*Banging on desks*) (**Two Members:** Hear, hear.) The whole purpose of a Command Paper, which is a practice that we instituted when we came into government in 2011, is to provide a draft Bill for discussion before it is actually published as a Bill and to allow for comments to be made by members of the public, or indeed any other interested parties. As I said, there was only one comment received to the Command Paper. It was not from the hon. Members opposite; it was
2370 from a member of the public. This issue, which is so important to them and so fundamental that it is going to cause them to vote against the Bill today, has clearly not been important or fundamental since 27th November when the Command Paper was published, or at least since 20th December when the Bill was published after that. Clearly, I think it suggests that nobody has looked at this in much detail. That is why I say there is a mistaken analysis which runs
2375 through the Bill.

Just to raise a few points in terms of the contribution made by the hon. Member, I think the Hon. Mr Phillips said that they have a mandate for more Europe, and it is true. The Chief Minister has answered some of his points already, but I will just add to what he said. Yes, the Government, Gibraltar, had a mandate for more Europe; and yes, we started to talk – this was
2380 said publicly – to those parts of the United Kingdom that had also voted to remain, to see whether it was possible to establish a degree of commonality of interests and to work together in advancing the cause of remaining.

We found it very easy to speak to the government of Scotland. We met with Nicola Sturgeon in London very soon after the Referendum. We have met her subsequently on a number of

2385 occasions to see whether we could advance that cause – the cause of Remain, which the hon. Member spoke about today – except that when we did that we were criticised by them for talking to those who wanted to break up the union. *(Laughter)* Mr Speaker, how can we have both?

2390 With Northern Ireland it was more difficult, because Northern Ireland has not had a government for many years, so we found it very difficult to find somebody to engage with. The DUP, the largest party, voted to leave and it was recommending departing from the European Union. Nonetheless, we engaged with all of the parties in Northern Ireland because there was no government and there is no government. As you know, the devolved administration has been suspended over there.

2395 We have also engaged, apart from that, with the Overseas Territories – in that there are councils set up where we can discuss the Brexit issues with all of the Overseas Territories – and with the Crown Dependencies, because let's not forget that although they are not in the European Union like we are and they are not leaving the European Union like we are, they nonetheless have commercial and other relationships with the European Union in financial services, in selling fish – for example, the Falkland Islands, Jersey and Guernsey sell agricultural products, so they too have different interests.

2400 Certainly in terms of the different devolved governments that we spoke to, I think we did not leave anybody out. We spoke to Scotland, Wales, Northern Ireland, the Overseas Territories and the Crown Dependencies – there is nobody else – to advance that cause, but it was obvious that if we were advancing the cause of remaining in the European Union, having had it clear that the UK was leaving, it raises a very important question and that is that we are in the European Union by virtue of the UK being responsible for our external relations, so if the UK is not the member state responsible for our external relations, then I ask him: who is it going to be? So, there was a danger in pursuing that any further after the position had been made clear.

2410 I think my hon. Friend the Chief Minister is right – I think the nonsense that they sometimes speak in terms of the relationship we have with the government in the United Kingdom is driven by jealousy or by purely political motivation, trying to score political points. The reality is that I have never seen such a close working relationship between the UK and the Gibraltar Government. I have seen it from the inside and certainly my colleague the Chief Minister has done more than anybody else to foster that relationship, and I want to pay him the credit for having done that.

2415 Somebody mentioned the question of bilateralism – I am not sure which hon. Member it was. I think what they have not understood is that the discussions which led to the Memoranda and to the Protocol were not bilateral in any way. They were driven and led by the Chief Minister of Gibraltar for the Government of Gibraltar and they were multilateral negotiations. It is possible to say, for example, that there were bilateral meetings between Gibraltar and Spain without the United Kingdom in the room. There were quadrilateral meetings between the UK, Spain, Gibraltar and the European Union. There were trilateral meetings between the UK, Gibraltar and Spain. So we have had every formula of lateralism that can possibly exist on the planet. **(Hon. Chief Minister: Variable geometry.)** Indeed, we referred to this as 'variable geometry'. *(Laughter and banging on desk)*

2425 I agree with the hon. Member my hon. Friend the Chief Minister – I think the contribution from the Hon. Mr Feetham was far more constructive than that of the other Members. I think it is reflected also in the work in the Select Committee and I want to also thank him for that and thank him for his kind words.

2430 The hon. Member said that Brexit is not in the best interests of the United Kingdom and Gibraltar. We agree, it is not. That is why we voted to remain in the European Union. That is why we campaigned for people to vote to remain, but sadly we were part of a larger and wider Referendum and the vote in that wider, larger Referendum was to leave. So, discussion now is to make sure we have an orderly Brexit on our way out, which is what the Bill today was all about. **(Hon. Chief Minister: Exactly.)**

I am also grateful to my hon. Friend the hon. Lady opposite. I think she also made constructive comments, and several sharp observations as well amongst those comments. (**Hon. Chief Minister:** Where indicated.)

In terms of the Hon. Mr Hammond, again he spoke of a small difference of opinion with the Government, that the two views are actually very close. He mentioned that the Select Committee is sometimes briefed extensively and sometimes more limited in the information that is passed across, but I think I can say that we have been as transparent as we possibly can and have been giving you an up-to-date account of every single thing that is going on in the negotiations. In terms of content and in terms of substance, in terms of style or strategy of approach, I think we have been frank and we have been open and at least we are due the credit for that. I was in opposition for 15 years and I was never briefed by anybody on anything. (*Laughter*) (**Hon. N F Costa:** Nor were we spoken to!) Even, as I am reminded, at the time of joint sovereignty in 2001-02, when this Joint Action Committee was being set up with the then Opposition, neither my Friend the Hon. Sir Joe Bossano nor myself heard anything about it. I can only conclude that it never met. (*Laughter*)

The hon. Member did make one valid point, and that is that the Brexit Select Committee should have also taken soundings from the public, and I would agree with that. I think we did publish an advert, we called for people to make representations and we did receive written representations from members of the public who were interested in making them. We did not sit down and receive all representations, but I think the pace of Brexit has been such that the whole work of the Select Committee in a normal sense has been overtaken by events.

Just to conclude, Mr Speaker, as I said, the main thrust of my argument is that the Opposition are choosing to have a debate on a Bill that is not before the House, that has not even been drafted and that not even UK Ministers have seen, which is the United Kingdom and Gibraltar's European Union (Withdrawal Agreement) Bill, which is different to this Bill. But, bearing in mind how much has been said that they have been given 99% of what we have in the Bill, that they support an orderly Brexit and that they support legal certainty, that is not reflected in a vote against the Bill, and maybe they would need to rethink that. There are 44 pages and 47 clauses in this Bill. I do not know whether they are against one clause or one reference, but there is no withdrawal agreement in the Bill. That is the point: that is in a Bill which has not yet come before the House.

So, Mr Speaker, I would urge the hon. Member to reconsider voting against the Bill on that basis – on the basis of the Bill that is before us today – because voting against would mean that you are voting for a *disorderly* departure of Gibraltar from the European Union, (**A Member:** Hear, hear.) that you are voting for no legal framework or legal certainty (**A Member:** Hear, hear.) for businesses and for citizens in Gibraltar, (**Hon. Chief Minister:** Shame.) which is worse probably than having a no-deal Brexit. So I would urge the hon. Member to reconsider the way in which they are going to vote.

Hon. Chief Minister: All people ask him! (**Hon. N F Costa:** Hear, hear.) (*Banging on desks*)

Mr Speaker: I now put the question, which is that a Bill for an Act to provide for the repeal of the European Communities Act, to repeal section 23(g) of the Interpretation and General Clauses Act, to provide for the continuing validity of legislation passed or made for the purposes of complying with any obligation arising out of Gibraltar's membership of the European Union, to repeal the European Parliamentary Elections Act; to provide for the continuation and validity of any administrative act or decision made pursuant to such an obligation, and to provide, by way of subsidiary legislation, powers to amend, repeal or replace any enactment which was made, whether primarily or otherwise for or in connection with any such European Union obligations, to make such consequential amendments relating to membership of the European Economic Area; to provide such transitional or other provisions as are deemed necessary, and for connected purposes be read a second time.

2490 **Hon. Chief Minister:** Mr Speaker, especially given the last point made by the Hon. the Deputy Chief Minister, I call on the House to divide, so that history reflects who has voted for an orderly withdrawal and who has not.

A division was called for and voting resulted as follows:

FOR	AGAINST	ABSENT
Hon. P J Balban	Hon. R M Clinton	Hon. A J Isola
Hon. J J Bossano	Hon. D A Feetham	
Hon. Dr J E Cortes	Hon. T N Hammond	
Hon. N F Costa	Hon. L F Llamas	
Hon. Dr J J Garcia	Hon. E J Phillips	
Hon. Ms M D Hassan Nahon	Hon. E J Reyes	
Hon. G H Licudi		
Hon. S E Linares		
Hon. F R Picardo		
Hon. Miss S J Sacramento		

2495 **Mr Speaker:** There is one Member absent. Six Members voted against the Second Reading of the Bill and 10 have voted in favour. Therefore, the motion is carried. (**Several Members:** Hear, hear.) (*Banging on desks*)

Clerk: The European Union (Withdrawal) Act 2018.

**Parliament (Amendment) Bill 2018 and European Union (Withdrawal) Bill 2018 –
Committee Stage and Third Readings deferred to tomorrow**

Deputy Chief Minister (Hon. Dr J J Garcia): I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

2500 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Hon. E J Phillips:** No.) (**A Member:** Aye.) No? (**Hon. Chief Minister:** A disgrace!) You do not agree? Very well.

2505 **Chief Minister (Hon. F R Picardo):** Which means tomorrow we cannot do Questions we are going to have to do the next stage.

Mr Speaker: We are going to go into Committee, proceed with the other Bill in Committee, and then we will come back in respect of this.

2510 **Hon. Chief Minister:** Mr Speaker, I move that the House should now adjourn so that we can take all of the Committee Stage tomorrow, which I anticipate will be the only business the House will have to deal with for some time now.

I move that we come back tomorrow at three.

2515 **Mr Speaker:** The House will now adjourn to tomorrow afternoon at three.

The House adjourned at 8.03 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.06 p.m. – 4.31 p.m.

Gibraltar, Thursday, 31st January 2019

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The Gibraltar Parliament

The Parliament met at 3.06 p.m.

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

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

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

Clerk: Thursday, 31st January 2019, Meeting of Parliament.
Suspension of Standing Orders, the Hon. the Chief Minister.

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

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

European Union (Withdrawal) Bill 2018 – Statement by the Chief Minister

10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, yesterday you called the Committee Stage and Third Reading of the Bill on the EU withdrawal. In doing so, you asked whether all hon. Members agreed, which is the formulation required by the Rules. The Rules require unanimity for a Bill to go through all its stages on one day, but it has long been the practice of this House to take a Bill through all of its stages in one day. In fact, in the 16 years that I have been a Member of this
15 House I have never seen any Member exercise his or her right to delay a Bill passing its stages by a day. In fact, the delay could even have been less than a whole day. It was open to the Government to have returned at one minute after midnight this morning. In fact, to use the device of the right to delay for a day is a futile exercise unless one needs to consider or check a point. Potentially, if the debate on the Second Reading has changed an understanding or
20 interpretation, it might be necessary to delay the passage of the Bill to make those additional consultations.

Yesterday, however, the Hon. the Leader of the Opposition simply decided to exercise his right to delay for a day without giving any explanation to the House. He did so, Mr Speaker, not just in relation to any Bill; he did so in respect of a Bill which I had certified as urgent under the
25 Constitution. You reminded the House of that certification at the start of the debate on the Second Reading yesterday. The Deputy Chief Minister, in his excellent presentation of the Bill at the Second Reading, explained the need to have the Bill on the statute book expeditiously for a number of reasons which he detailed in his speech. He also explained that we had provided a Command Paper of the Bill as an opportunity for hon. Members and the rest of the community
30 to comment and consider the issues that it gave rise to even before it became a Bill.

The Bill has been published for almost six weeks. In fact, the Bill would have been published for six weeks by Friday. Yesterday, however, when the Leader of the Opposition decided to

exercise his right to delay the Bill he did not tell us why he had decided to be the first person in living memory to delay a Bill in that way. He also –

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Hon. R M Clinton: [Inaudible]

Hon. Chief Minister: I am going to make progress at this stage, Mr Speaker. If the hon. Member likes ... It is a Statement and Members are not interrupted when they are making a Statement.

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Hon. R M Clinton: [Inaudible]

Mr Speaker: I will give the hon. Member an opportunity when the Chief Minister finishes his Statement. I have no problem in calling him.

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Hon. Chief Minister: Mr Speaker, he also did not bother to ask, during the recess or otherwise in debate, why we had continued with the Bill as an urgent one and why we had not waited until Friday to proceed with it. Without notice he decided to use the unprecedented device of not agreeing to the Committee Stage and the Third Reading being taken on the same day. It is important that the House and the whole community should understand the consequences of the decision by the Leader of the Opposition to delay the passage of the Bill yesterday.

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First of all, as all hon. Members know, the Gazette issues every Thursday morning. This morning the Gazette has not issued as usual. It has now held back, pending passage of the Bill. That means that many tens or hundreds of legal notices etc. are delayed, thanks to the decision of the hon. Member to delay the passage of the Bill by one day. These notices are of the businesses of individuals and other businesses and companies throughout the land who are required by law to publish notices in the Gazette.

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Secondly – Oh, I see that the Hon. the Leader of the Opposition is laughing from a sedentary position, Mr Speaker, as if this were fun. Well, let me just tell him that I am building up to the most serious consequences and he might not feel like laughing at the end of it. Secondly, the Acting Governor is on standby to sign the passage of the Bill into law as soon as we end the Third Reading and the Clerk confirms that the law has been passed by the Parliament.

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Why the urgency, Mr Speaker? Because thirdly, and most importantly, a failure to have passed the Bill yesterday means that there is now a risk that the United Kingdom will not be able to extend to Gibraltar the provision on two of the Hague Conventions. The first is the Hague Convention on the Choice of Court Agreements 2005. The second is the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance 2007. These are multilateral international agreements to which the EU is a party. Both agreements have been implemented in Gibraltar through regulations made under section 23(g)(ii) of the Interpretation and General Clauses Act, which confers a power to make regulations in matters arising under the Treaties as defined by section 2 of the European Communities Act. The UK has committed to continuing its participation in both conventions after it leaves the EU. It deposited instruments of accession with the depositary, which is the Dutch Ministry of Foreign Affairs, on 28th March 2018. In accordance with the procedures laid down in the conventions, the UK's accession will enter into force on 1st April 2019 – that is to say the first day of the month following the expiration of three months after the deposit of the UK's instruments of accession. That is in keeping with section 31(2)(a) of the 2005 Convention and section 60(2)(a) of the 2007 Convention. I repeat that for the record: it is section 60, subsection (2)(a).

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The UK will only become a party in its own right on 1st April 2019 if there is a no-deal Brexit. If there is a Withdrawal Agreement with a transition period agreed before 29th March 2019, the UK will withdraw its Instrument of Accession and the conventions will continue to apply to the

UK and Gibraltar during the transition period. After today, Mr Speaker, I imagine the Leader of the Opposition will be hankering for a Withdrawal Agreement and a transition period.

The UK has not yet made declarations extending the application of the conventions to Gibraltar. It was agreed with us that it is not possible to do so until the Withdrawal Bill before the House today becomes an Act, because until then there is no legislative basis for Gibraltar to be covered by the conventions in its own right and not via EU law.

Declarations by the United Kingdom post accession extending the application of the conventions to Gibraltar would also take effect on the first day of the month following the expiration of three months after the date on which of the notification is received by the depository. Section 32(4) of the 2005 Convention and section 63(4) of the 2007 Convention make that provision. Thus, if the United Kingdom Government decides to make the declarations today, 31st January 2019, and these are received and deemed to have been validly made by the depository today, the conventions would enter into force in relation to Gibraltar on 1st May 2019. That is the first possible day on which they will enter into effect.

For the UK to be able to make the declarations today, therefore, the Bill has to pass expeditiously – as soon as possible. If the UK's declarations are made after 31st January 2019 – that is to say today, which is what would happen if we delayed too much further today – my provisional view is that the earliest the conventions could enter into force in Gibraltar would be 30 days later, in keeping with the formulation, which would mean on 1st June 2019.

Such a delay would potentially be hugely damaging for individuals and businesses seeking to rely on the provisions of the Hague Conventions, as well as for Gibraltar as a jurisdiction more generally. We would be the only jurisdiction on the European continent not to have that cover for those additional 30 days. Indeed, it remains unclear whether the United Kingdom is able to make a declaration extending the convention to Gibraltar before the UK's own accession enters into force on 1st April, but the Government's advisers are not aware of any state practice under either of the two relevant conventions on this point. FCO legal advisers have raised doubts about the position but have not yet taken a view on it.

Secondly, it may be possible for the UK to rely on the fact that declarations made at the time of signature – that is to say ratification or accession – take effect simultaneously with the entry into force of the convention for the state concerned. If the depository could be persuaded that declarations made by the UK on 1st April 2019 – the day of the UK succession entering into force – and that these were made at the time of accession despite the Instrument of Accession having been deposited on 28th December, it may be possible for the UK to extend the conventions to Gibraltar with effect from 1st April 2019. Again, there is no state practice under the Hague Conventions that I am aware of on the time of accession point. FCO lawyers told our advisers at the last meeting that they were investigating this point.

Ultimately the UK may consider it tactically preferable to make the declarations on 1st April 2019 in the event of a no-deal Brexit rather than now have to rush to make them today – assuming we can get the notification to London on time this afternoon – and run the risk of being rebuffed by the depository.

And that, Mr Speaker, is the consequence of Mr Phillips's decision yesterday to decide to exercise the power to delay the passage of the Bill through all its stages in one day: in effect potentially delaying, or worse prejudicing, the ability of families enforcing judgments on child support and maintenance; potentially delaying, or worse prejudicing, the ability of litigants to choose jurisdictions of courts for disputes; in effect potentially delaying, or worse prejudicing, the extension to Gibraltar of two important conventions which are a part of our law today but which we have to make separate provision for in the post-Brexit environment.

The House should proceed to Committee now, Mr Speaker, with the full knowledge of this potential delay, or worse prejudice, now being a real and present danger for Gibraltar families and for the jurisdiction, thanks to Mr Phillips.

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

Hon. E J Phillips: Mr Speaker, that Statement by the Chief Minister is, with the greatest respect, utter nonsense. It is a smokescreen for his incompetence and negligence in not bringing this Bill before. *(Banging on desks)*

140 **Mr Speaker:** On a point of order, in response to a ministerial Statement you can ask questions on points of clarification. I even tend to allow – and I have done so on very many occasions in the case of the Hon. Danny Feetham when he was Leader of the Opposition – a response. But what I cannot allow is that kind of language, because it is not called for. That kind of language just used is not called for in the circumstances of what happened yesterday or what

145 has happened today.

At an important moment in the life of this Parliament, with perhaps the most important piece of legislation that has come here in over 40 years, I am not, as Speaker, going to preside on the behaviour of Members as if they were schoolchildren. I expect you, as the elected Members of Parliament that you are, representing the people, to exercise discretion and to act as grown-ups and not as children, because if you act as children I will treat you as children.

150 I am sorry that I have to be so clear cut, but it is the first time in a long time that I have had to take this attitude, because it is not called for.

Now you may continue.

155 **Hon. E J Phillips:** Grateful, Mr Speaker.

The Chief Minister could have brought this Bill last week. He could have brought it the week before. He could have brought it on Monday of this week, Mr Speaker. Instead, he leaves it to the very last minute. He does not explain in any detail whatsoever in his contribution and intervention – indeed, the Deputy Chief Minister has not explained in his intervention – the

160 urgency of this Bill.

When we, as the democratically elected Opposition of this House, deal with a Bill of this importance, we take a view, we consider the detail, we consider the responses of hon. Members opposite, and if we wish to delay the passage of this Bill by 24 hours, we will. We will do our job for the people of this community. We will do our job in analysing the legislation that is put

165 forward by the Government.

It is the Chief Minister's fault. If he brings it at the latest possible minute without explaining in any way whatsoever the urgency of the Bill, blood is on his hands, no one else's.

Mr Speaker, we are here to do a job –

170 **Mr Speaker:** 'Blood is on his hands' is an unparliamentary statement. Please withdraw it. Measure your words, because we are in Parliament and there is language that is allowed and language that is not allowed. I rule that 'blood is on his hands' is an unparliamentary statement and I ask you to withdraw those words.

175 **Hon. E J Phillips:** For the sake of getting my message across, of course I will withdraw those words specifically –

Mr Speaker: For the sake of what?

180 **Hon. E J Phillips:** For the sake of continuing with this statement, I will withdraw that –

Mr Speaker: 'For the sake of complying with the direction that you have given me, Mr Speaker.'

185 **Hon. D A Feetham:** Mr Speaker –

Mr Speaker: No, I am not allowing you to intervene.

Hon. D A Feetham: Well, I am going to vacate the Parliament because the way that you are treating the Leader of the Opposition is, in my respectful view, absolutely outrageous.

Mr Speaker: The language that he has used (*Interjections*) from the beginning has been unparliamentary, and now he has made it even more so.

I will not have that statement on the record. You withdraw that statement, because I, as Speaker, I am directing you that that is unparliamentary language!

Hon. E J Phillips: Out of respect for the office, of course I shall withdraw that statement, Mr Speaker.

Whilst we have accepted that our community needs the legal certainty and stability of this piece of legislation in the context of our exit from the European Union, and whilst we have supported parts of this Bill which seek to do that, we cannot condone the operation of section 12 as read with section 3 with various other interactions of other sections that we can debate in committee. This Bill seeks to circumvent this House, seeks to circumvent democracy and seeks to circumvent this Opposition.

The Chief Minister and the Deputy Chief Minister come to this House with a Bill which effectively is undemocratic. It does not allow the people of our community to scrutinise the Withdrawal Agreement or the MoUs that underlie them. We demonstrated that in our contribution in relation to this Bill when I got up to speak about the operation of section 12, and not one answer from the hon. Gentleman.

Section 12 as read with section 3 allows the Government to implement the Withdrawal Agreement, the Protocol and the MoUs without further reference to this House. By contrast, section 9 of the equivalent UK Act provides the UK Parliament the opportunity to approve the final terms of the withdrawal of the UK from the EU. Why is it that we do not have that protection in this House?

The Chief Minister has not answered that point, and if you read, Mr Speaker, the interpretation of section 3 –

Hon. Chief Minister: That is arrived at, by the Statement on his delay.

Hon. E J Phillips: Mr Speaker, the Chief Minister is –

Mr Speaker: Given the circumstances, I am going to be very flexible and liberal in the application of the Rules, other than in the instances where I have already had to take issue with the Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, I will be short. Mr Speaker has allowed the Chief Minister to accuse me of threatening families, and you have not ruled that out but it is on the record. It is all about emotive language.

Mr Speaker: Again, please sit down. You are totally mistaken. When a Minister makes a statement, I do not know the contents of that statement. My job is to preside over the rules and not the politics; I do not know what an hon. Member is going to say. If what he is saying under the Rules you can take issue with, a point of order could have been raised, but it is not for me to control in any way a ministerial statement whose content I do not even know.

Hon. E J Phillips: Mr Speaker, just in relation to the contribution by the Chief Minister in relation to that particular comment, equally you could have ruled it as unparliamentary language, just as Mr Speaker has ruled against me in relation to the language that I used before – and I dare not repeat it, Mr Speaker.

240 What the Chief Minister and the Government are seeking here is a blank cheque, and we on this side of the House will not give him that blank cheque.

Hon. Chief Minister: Mr Speaker, I should deal with each speaker in turn.

245 I am very, very surprised indeed that the hon. Gentleman has failed to address the issue that I raised in my Statement in his response. I expected that there would be this reaction, that his nerves would jangle and that he would not be able to respond with poise and with calm to the issues that I raised.

250 Of course we could have brought this Bill earlier. We could have brought this Bill in December and abridged time the week that it was published. We could have brought this Bill last week. We were ready to abridge time then. But doesn't he understand that what we have tried to do is to allow the Bill to be published for as long as possible and as close as possible to the six weeks?

255 They have had a total of nine weeks to do all of the scrutiny that he said that he wanted to do overnight. So, either they have done none of their work in the past nine weeks or they were left with arguments yesterday which they had not understood before. I think, Mr Speaker, if I was being generous to them I would venture to suggest that actually it dawned on them yesterday that all of the things that the hon. Gentleman has today said were completely wrong and he is just repeating them because he has to.

260 This Bill is not a Bill to bring the Withdrawal Agreement into effect. There will be a separate Bill for that; the Hon. Deputy Prime Minister has already said so. This Bill includes a clause that will enable us to bring the Withdrawal Agreement into effect if there is no time to bring a Bill, but bring a Bill we shall anyway and he knows that because he was told that at the meeting of the Select Committee.

265 But most importantly, Mr Speaker, in the tripe that the hon. Gentleman has put before the Parliament today he has said that we are trying to stop scrutiny of the MoUs and of the Protocol. Well, where is the motion from them putting the MoUs before the House in order to debate them? Where is the motion from them saying that they do not like the MoUs?

270 The Government cannot stop a motion from the Opposition like in the United Kingdom. In the United Kingdom the Government has control of the Order Paper and an Opposition motion is given the time that is agreed at Business in the House and they can be shunted to one side; hence all of the need for a meaningful vote. Here, if they wanted to have the debate about the MoUs, which I would be delighted to have, with the text of the MoUs in the House, they can put the motion at any time.

275 It is utter nonsense to say that we are shutting them out from that debate. It is not worthy of the community having to hear it, because it is not true. If they want a debate on the MoUs, put a motion on the MoUs or wait until we have to have the debate on the Withdrawal Agreement Bill, if there is a Withdrawal Agreement, because then there will be a Bill. It is that simple, but there is absolutely no sense whatsoever – parliamentary sense, legal sense or common sense – in what the hon. Gentleman has said, absolutely no sense whatsoever.

280 If he is saying that we should no longer give them the benefit of as long as possible to consider a Bill before certifying it as urgent, we shall, Mr Speaker, certify Bills as urgent overnight and not give them six weeks to consider, or as close to six weeks to consider those Bills as necessary, because that is the natural consequence of what he has invited us to do today. But then for him to get up today as Leader of the Opposition in this community – as you rightly say, on probably one of the most important pieces of legislation that this community will have the misfortune of having to consider for many generations – having had pointed out to him what the natural consequences of his decision to throw his toys out of the pram with a knee-jerk-reaction decision, which probably they made on the hoof yesterday, and say, 'It's not my fault, it's the Chief Minister's fault,' he lets himself down so badly and he lets the community down so badly that he demonstrates that he really is not up to the job.

290 I am grateful that you ruled some of the things that he said out as unparliamentary language, because they were really not called for, Mr Speaker. Frankly, I think it will reflect very badly on

him as a professional, as a politician and as an individual that he has said to you that he is only withdrawing what he said out of respect for your office, as if he were trying to distinguish the office and you, Mr Speaker, because you are deserving of maximum respect, not just because of the chair in which you sit but because of the contribution you have made to public life in Gibraltar.

Mr Speaker, it is not true for the hon. Gentleman to say that I have accused him of threatening families. My words, which are in a written Statement – that he will have the opportunity of poring over for many years to come when he realises that this was the moment when his political career crashed against the brick wall that he built for himself – just says that his actions potentially delay, or worse prejudice, the ability of families enforcing judgments on child support and maintenance. If he interprets that as threatening families, it is in his mind that the threat was made and became real, not in the words that I put before the Parliament.

Mr Speaker, how can he say that although they support the Bill as a whole they are only concerned about parts of it? If that were the case – which is a little of what they said but not any of what they did – what they would have done would have been support the Bill at Second Reading having entered the caveats that they entered and then they would have asked, in the Committee Stage, to have section 12 put on its own. They would have voted against section 12, having supported the rest of the sections, and then they would have supported the Bill at Third Reading – I will give way to the hon. Gentleman before I sit down, when I finish this point. That would have been the way to deal with an issue relating to their concern about one section. They have instead voted down – although I told the hon. Lady yesterday that was not what they were going to achieve... They have attempted to vote down the whole of the Bill, not just the section.

The hon. Gentleman has asked me to give way. I will, although –

Mr Speaker: I agree that the Chief Minister should give way to him.

Hon. D A Feetham: May I thank Mr Speaker and also the Chief Minister for allowing me –

Mr Speaker: It is in the Rules that it is for the Speaker [Inaudible].

Hon. D A Feetham: Thank you very much.

Mr Speaker, actually, the decision that was taken yesterday to object to the Committee Stage being taken yesterday was precisely to see whether we could support the Bill but just simply focus on some of the provisions within the Bill – that was the purpose of it – and indeed look candidly to Parliament. There are some of us who believe that actually this Bill is very complicated and you cannot simply home in on one or two provisions without safely not having a knock-on effect on other provisions. So, in fact, the decision was taken in good faith in order to see whether we could support the Government in this project to the maximum extent possible. That was the reason why it was taken.

Of course, if the Opposition had known about all the urgency and all of the other matters the Hon. the Chief Minister has outlined in his contribution, we may have taken a different view, but I want the Parliament to understand – and indeed I want the community to understand, that is listening to this debate – that it was a decision that was taken in good faith by my hon. Friend the Leader of the Opposition.

Hon. Chief Minister: Well, Mr Speaker, I must start by welcoming the hon. Gentleman back from the shortest parliamentary vacation in parliamentary history! *(Laughter)* He performed a Mrs Slocombe-style stunt when he got up and said that he was vacating the Parliament, which of course means that all of us would have to leave the Parliament at his direction. In fact, all he was doing was himself leaving the Parliament. I was reminded of that great character who used to stand up and say, ‘I am unanimous in this’, which is the stunt that the hon. Gentleman – *(Interjection)* too true – has performed today.

Mr Speaker, he got up when I was dealing with a particular part of my Statement to make what I think was a general intervention. He could very easily have done that at another time. I will deal with what he has said and then move on to continue with what I was replying to the Hon. the Leader of the Opposition.

If it is true that they made the decision in the way that he suggests that he made it – and I will not say that what he has said is not true, but I will tell him that it stretches the bounds of credulity on this part of the House – they would have said to us, ‘You have said that this is urgent, you have certified it as urgent – we are thinking that we need 24 more hours: does that cause any problems?’

When he was Leader of the Opposition, he and I had probably the most fractious relationship that this Parliament has seen, but nonetheless, on issues which related to certifying Bills as urgent we were able to talk, and this is a Bill certified as urgent which they have made stay on the Order Paper for a day longer. I am very surprised that somebody would, in that vein, having heard also from the mover of the Bill that the Bill was urgent, that they make what they say is a conciliatory gesture to try and support the whole Bill without having that conversation.

So, he will forgive me for saying that I think he has, as usual, his political antennae rightly tuned in to what has happened, he has realised more quickly than perhaps the others how badly they have played it, he has tried to give the hon. Gentleman sitting next to him a little bit of cover insofar as he has cover to give. It is really stretching the bounds of credibility and certainly there might be people outside of this House who might take the view that he has had to get up and invent a way around this difficulty.

For the hon. Gentlemen to say that there are parts of this Bill which are not democratic, which they do not like, which give us the ability to pass things through with Henry VIII powers, which is what the Bill does in respect of some legislation – well, that is what they said yesterday, during the course of their statements, they agreed with. Those are the things they said they approved in the Bill. In the House of Commons the debate has been about having Henry VIII powers to change laws because it is necessary *in extremis* to do it in that way. That is the bit they said they did not object to, except for the nonsense that they carped on about, about the MoUs and the Withdrawal Agreement. That is one defined section, so it is frankly not believable that they should expect the community to think that we are looking for what they termed a ‘blank cheque’. There is no blank cheque here, Mr Speaker. There is, if necessary, the ability to implement the Withdrawal Agreement, if there is a Withdrawal Agreement, but already a commitment to bring a Withdrawal Agreement Bill anyway, if it is necessary.

Frankly, I think that if I say that the hon. Gentleman is stretching credulity – and I am now talking about the Leader of the Opposition – people might say, ‘Well, the Chief Minister is just doing battle with his opposite number,’ although I do not know who that is, frankly, ‘and it’s normal he should say that. But when I have given the explanations that I have given and I have said the things that I have said and I get the reaction that I get, it is obvious that they just did not think this through. It demonstrates a vertiginous irresponsibility of the sort that we are seeing played out today even after I have said that the Bill is urgent.

And you know what? I say these things, actually, with a heavy heart. I say them with a very heavy heart because this is a very serious moment in the affairs of our nation and to have to be having this debate when what we should be doing is getting down to deal with the Bill, to get it across the line, is frankly worse than remarkable.

Mr Speaker: The Hon. Roy Clinton.

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

First of all, I would invite the Chief Minister to withdraw a remark he made earlier – as I am sure he would not wish to mislead the House – in which he said in all his 16 years in Parliament he had never seen the mechanism whereby a delay to the Committee Stage had occurred. Certainly since I have been here it has been used once, and I know this because it was in fact

395 myself and my hon. colleague Mr Feetham who, if my memory serves me right, on the
Consultative Council Bill actually exercised that right. So I invite the Chief Minister to withdraw
that remark, or at least amend it, because certainly it has been used before and certainly in the
life of this Parliament, Mr Speaker, as I am sure you will recall.

Mr Speaker, that right is in Standing Orders. He may have certified the Bill as urgent. He gave
400 no reasons to us as to why it was urgent. He comes to us today saying, 'You did not know why it
was so urgent but you had to do this.' Well, Mr Speaker, we were not aware, and for him to
come today – and we have already wasted close to three quarters of an hour with his
Statement ... If it was that urgent, I invite him to let us move to Committee Stage and get on with
it.

405 Thank you, Mr Speaker.

Hon. Chief Minister: Mr Speaker, if I say I cannot remember something in living memory it is
because I cannot remember it, and therefore I am not going to withdraw it on the say-so of the
hon. Gentleman opposite. If it did happen ... Well, he can check the *Hansard* and send me a
410 copy, if he likes, and then he can invite me to correct the record if he likes, but I am certainly not
going to be getting down to check the *Hansard*, because I do not have time – like he does, given
that he is a retiree – to have coffee in the mornings and enjoy reading my *Hansards* leisurely just
because it is a hobby. That is the first point.

Second, of course they are entitled to delay the Committee Stage by a day. It is in the Rules. I
415 have not suggested that it is not his right to do so; of course he is entitled to do so. I am alluding
to him what the consequences of what they have done are, and what they have not got an
answer to, what they have not apologised for and what they are continuing to bark on about is
the consequences of what they have done.

Mr Speaker, it really seems to be that hon. Members opposite have such a casual relationship
420 with the reality of what politics is and the consequences it has on people's lives ... They just do it
because it is a hobby. When they were little boys they were told that they enjoyed politics and
they might make good in Parliament, and that is why they are here and that is what they are
doing. Politics has consequences for people's lives. Political actions have consequences for
people's lives, and the sooner they realise it the better. The sooner they realise it, the sooner
425 they will realise what it is that they should be doing to earn their £40,000 a year.

Mr Speaker: The Hon. Trevor Hammond.

Hon. T N Hammond: Mr Speaker, this is very much a point of clarification. In his Statement
430 the Chief Minister went to some length to describe the consequences of the delay to the Bill. We
were obviously, as we have said, not aware and neither were those consequences made clear at
any point. I do not think they would necessarily have changed the decision, because this is a very
important piece of legislation.

What I do not understand is that if the consequences or the risk of those consequences are
435 so grave in the Chief Minister's mind, why didn't he recall us at one minute past midnight last
night to get this Bill through? It was in his gift to do so. It would have meant that the Bill would
have been passed last night, or in the early hours of the morning, and ready to be sent to
London first thing this morning. Instead, we have this significant delay; a delay exacerbated by
the Chief Minister's own Statement this afternoon, which has caused a further 40- to 45-minute
440 delay to the passage of the Bill. I just do not understand that point. Why were we not recalled? I
– and, I am sure, all of my colleagues – would have happily returned at one minute past
midnight, would have spent the intervening period having that very important discussion that
we had this morning about certain measures and how we were going to approach the Bill in the
Committee Stage. That was very necessary for us to do. It is not only our democratic right but it
445 is a very important thing that we do that, to apply the proper scrutiny to the legislation, that we

are serving the people of Gibraltar in that respect. Why was the Bill not brought at one minute past midnight last night to the Committee Stage?

450 **Hon. Chief Minister:** Mr Speaker, does the hon. Gentleman think that it made sense to come back at one minute after midnight? It is possible to come back one minute after midnight, but if we come back one minute after midnight I have to keep all of the public officers of Gibraltar who keep this Parliament open, here unnecessarily because of their foibles, because of the cocktail of egotism and figurism and protagonism that they come up with in order to try and justify their positions: 'We didn't know it was urgent, we didn't know the reasons why it was urgent, we

455 didn't ask why it was urgent.' Has that ever occurred to them: 'We didn't ask why it was urgent'? Mr Speaker, it is, frankly, in my view, a cocktail of absinthian stupor that they drink themselves into with their politics, but this community needs an EU Withdrawal Bill, that none of us want, and it needs it sooner rather than later, and the judgement of the community on the way that its Opposition has behaved and the fall of the GSD from what it was to what it is today

460 is still to come.

Standing Order 7(1) suspended to proceed with Government Bills

Mr Speaker: The Hon. the Chief Minister, will he now move the suspension of Standing Orders to go back into Committee?

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

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

Order of the Day

BILLS

COMMITTEE STAGE AND THIRD READING

Clerk: Committee Stage and Third Reading. The Hon. the Chief Minister.

470 **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 European Union (Withdrawal) Bill 2018 and the Parliament (Amendment) Act 2019.

In Committee of the whole Parliament

**Parliament (Amendment) Bill 2019 –
Clauses considered and approved**

475 **Clerk:** A Bill for an Act to amend the provisions of the Parliament Act to provide for an open
register of electors.
Clauses 1 to 3.

Mr Chairman: Well, let us note that the short title is now the European Union (Withdrawal)
480 Act 2019.

Clerk: No, we have got the Parliament Act first.

Mr Chairman: Right. Clauses 1 to 3 stand part of the Bill.

485 **Clerk:** The long title.

Mr Chairman: Stands part of the Bill.

**European Union Withdrawal Act 2018 –
Clauses considered and approved**

Clerk: A Bill for an Act to provide for the repeal of the European Communities Act, to repeal
490 section 23(g) of the Interpretation and General Clauses Act, to provide for the continuing validity
of legislation passed or made for the purposes of complying with any obligation arising out of
Gibraltar's membership of the European Union, to repeal the European Parliamentary Elections
Act; to provide for the continuation and validity of any administrative act or decision made
pursuant to such an obligation, and to provide, by way of subsidiary legislation, powers to
495 amend, repeal or replace any enactment which was made, whether primarily or otherwise for or
in connection with any such European Union obligations, to make such consequential
amendments relating to the membership of the European Economic Area; to provide such
transitional or other provisions as are deemed necessary, and for connected purposes.
Clause 1.

500 **Mr Chairman:** There is no need for a formal amendment: 2018 to be substituted by 2019.

Clerk: Clause 2.

505 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 3.

Hon. E J Phillips: Mr Chairman, in relation to page 306 of the Bill, in relation to the definition
510 of 'Withdrawal Agreement', can the Deputy Chief Minister explain that interaction with
clause 12? We are seeking clarification as to whether or not to ratify those words in brackets.

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Chairman, I explained yesterday to the House
that the Bill, which was based on the original UK Bill, was drafted before the Withdrawal
515 Agreement was concluded, so the provision was made. This defines *a* withdrawal agreement,
not necessarily *the* Withdrawal Agreement, and there will be a second Bill – or the Government
intends to bring a second Bill if we have the time to do that – which will be known as the

European Union (Withdrawal Agreement) Bill, which will be specifically on the agreement. So, as I explained and as I think the hon. Member understood yesterday, the Bill provides for the Government to adopt the Withdrawal Agreement by regulation if there is no parliamentary time. But that is not our intention. Our intention is to bring a separate Bill and have a separate discussion on the Withdrawal Agreement itself.

Hon. E J Phillips: Mr Chairman, therefore, by reason of that definition, the power does exist for a Minister or the Chief Minister to pass regulations implementing the Withdrawal Agreement.

Chief Minister (Hon. F R Picardo): Mr Chairman, we do not need to repeat ourselves, do we?

Hon. R M Clinton: Mr Chairman, just for the sake of clarity, if the Deputy Chief Minister could confirm – so that we understand without a shadow of a doubt what he is saying – that it is his preference to bring a specific Withdrawal Bill to this House, but if he cannot he would rely on the provisions under section 12 to pass whatever he thinks is necessary by way of regulation and therefore bypassing the ability of this Parliament to scrutinise whatever it is that he thinks is necessary. Is my understanding correct?

Hon. Deputy Chief Minister: Mr Chairman, in order to make sure that we all have the same understanding, I will repeat what I said yesterday about clause 12, for the benefit of the hon. Member. I said this:

Mr Speaker, clause 12 gives a Minister the power to make subsidiary legislation to implement a withdrawal agreement concluded between the UK and the EU. I should clarify that this provision is also present in the UK legislation. It serves purely and simply as a safety mechanism in case there is no time to introduce a separate Withdrawal Agreement Act, which remains the intention and the preferred option of the Government. Clearly, this provision would not apply in the event of a so-called no deal Brexit.

Mr Chairman: Clause 3 stands part of the Bill.

Clerk: Clause 4.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 5.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 6.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 7.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 8.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 9.

Mr Chairman: Stands part of the Bill.

565

Clerk: Clause 10.

Mr Chairman: Stands part of the Bill.

570

Clerk: Clause 11.

Mr Chairman: The Hon. Elliot Phillips. No?
Stands part of the Bill.

575

Clerk: Clause 12.

Hon. E J Phillips: Mr Chairman, can the Government confirm why it did not include the similar words, that appear in section 9 of the European Union (Withdrawal) Act of the United Kingdom, 'subject to the prior enactment of a statute by Parliament approving the final terms of the Withdrawal Agreement in the United Kingdom' – read, obviously, 'Gibraltar'? Can the Government confirm why there was no protection, as we see it, for Parliament to be reconvened on a separate Bill within that Act?

Hon. Chief Minister: Mr Chairman, Parliament can be reconvened at short notice under the existing Standing Orders and Rules; there is no need to have a provision to reconvene Parliament. In this Parliament it is possible for the Opposition to set down for debate in a motion matters which relate to the MoUs or the Withdrawal Agreement, something which they have not chosen to do. We have already indicated that we wish to have a Withdrawal Agreement Bill if there is to be a Withdrawal Agreement Bill.

Mr Chairman, finally, I am reminded of the only man who has been able to lead the GSD to victory in general elections in Gibraltar, who used to sit in the chair I now occupy, who used to say, 'Just because things are done in a particular way in the United Kingdom, it doesn't mean that they are the best way to do them for Gibraltar.'

Hon. E J Phillips: Mr Chairman, the point that I am trying to make and seek clarification on is why our section 12 allows a Minister by way of regulation to introduce and implement the Withdrawal Agreement, whilst in the United Kingdom they have the same provision but which allows Parliament to approve the final terms. We do not appear to have that part of that section in our law. Can they clarify the decision to leave that out, given the fact that 95% of this Bill replicates the UK Act?

Hon. Chief Minister: Mr Chairman, I really do despair. The hon. Gentleman appears not to understand the structure of what we are debating, let alone the politics of it.

Once the United Kingdom adopts a Withdrawal Agreement – let's assume for a moment that the United Kingdom adopts a Withdrawal Agreement – that Withdrawal Agreement will bite. That agreement will bite. It will bite in respect of Gibraltar. Even if there are no MoUs on Gibraltar, even if there is no Protocol on Gibraltar – let's, just for a moment, assume that there are none in their Withdrawal Agreement – it will bite. Therefore, whether or not this Parliament approves the Withdrawal Agreement, all 585 pages of it, the Withdrawal Agreement will be effective in withdrawing Gibraltar from the European Union. I do not think the hon. Members have understood that.

If there is a Withdrawal Agreement and if it includes parts about Gibraltar – as it does at the moment, if it is ratified – we have already indicated that we will bring a Withdrawal Agreement Act. I think this is the 10th time we have said that just this afternoon. It is in the printed text of what the Hon. the Deputy Chief Minister said yesterday. In fact, I think it is prominently

displayed in all the reports I have seen of what the Deputy Chief Minister said yesterday. Given they have had an extra 24 hours to consider what was said yesterday, I would have thought that would have been crystal clear by now.

620 In the event that there is a Withdrawal Agreement and it is at what one might call the last minute – 28th March, for example – that Withdrawal Agreement will bite on the morning of 29th March, or on the morning of 30th March. It may not be possible to have a Withdrawal Agreement Bill ready by then for the Parliament to debate, but we are saying we will have a Withdrawal Agreement Bill after that but we may need to implement parts of the Withdrawal Agreement, which they may not like and which we might not like, or bits which we like and they
625 do not like, or bits which they might like more than we like but we are forced to do because we are in Government. And that is why, for the umpteenth time, there is a provision to enable Ministers to give effect to a withdrawal agreement even though we are going to bring a Bill for them to debate on the issue of the Withdrawal Agreement.

630 If they feel so strongly about the MoUs and the Protocol, why haven't they brought a motion? I very much look forward to a motion where we can debate the MoUs and the Protocol, because I will be able to demonstrate to them – not that demonstrating things to them matters – why they are completely wrong in their interpretations that they have shared to date.

Now, Mr Chairman, if they want me to repeat that again or they want any other Member on these benches to repeat that again for a further time because they have not yet understood it ...
635 It will only be when they read *Hansard* that they realise how many times they had to be told. Mr Clinton, in the mornings over a coffee, might enjoy this particular extract.

Hon. D A Feetham: Mr Chairman, may I? I understand the point that the Hon. the Chief Minister makes, which is essentially this: he says if the Withdrawal Agreement is approved by
640 the UK Parliament, it becomes effective; it has been passed by the UK Parliament. It includes provisions in relation to Gibraltar and what he is saying is the reality is that it bites whether we bring a Withdrawal Agreement Act to this Parliament or not. That is how I have understood it. So, really, the purpose of bringing a separate Withdrawal Agreement to this Parliament is to allow the Parliament to debate it but from a legal standpoint it is not strictly necessary.

645 If that is the position – and forgive me if I have perhaps expressed it in an inelegant way – in order for there to be consensus and for us on this side of the House to be able to support the Bill, isn't the Government willing to consider some amendment to this particular section that includes the language that is used in the UK which says 'subject to prior enactment of a statute by Parliament approving the final terms of the Withdrawal Agreement'?

650 I understand that, strictly speaking, once it is approved in the UK it is done, it is dusted. This is an agreement between the United Kingdom and the EU; it is not an agreement between Gibraltar and the EU. I understand that. But at least it would allow the House to approach this from a unanimous point of view, and I wonder whether the Government is willing to consider that.

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Hon. Chief Minister: Mr Chairman, the Government cannot consider that. Again, this goes to the structure of the whole thing, the structure of the debate.

Gibraltar is a part of the European Communities under Article 3(5)(5)(3) of the Treaty. When the United Kingdom withdraws its membership, we are no longer able to be part of the
660 European Community under Article 3(5)(5)(3). People north of the Frontier and south of the Pyrenees have taken great relish in doing that analysis, which I know the hon. Gentleman does not need me to do for him.

The United Kingdom, in order to enter into the Withdrawal Agreement, has given the House of Commons a meaningful vote so that its Withdrawal Agreement – of which we are a part, but
665 it is its Withdrawal Agreement, as the hon. Gentleman has pointed out, because it is between the United Kingdom and the European Union – is a treaty that the United Kingdom is going to enter into. Before the United Kingdom enters into the treaty, it has given the Commons the

ability to determine whether it should enter the treaty. Right? Once the Commons give that go ahead, the treaty goes. Once the treaty goes, how can we have a clause in our law saying that we will not implement the provisions of that treaty which relate to Gibraltar unless the Parliament has approved it?

There is a way of describing that, Mr Chairman, usually reflected in three letters, in international politics. The first one is U, the second one is D and the third one is I. Because that is what we would be saying. We would be saying that we would have an independent right to adopt the Withdrawal Agreement or not adopt the Withdrawal Agreement.

I am going to share with the hon. Gentleman something which I shared with him when he was Leader of the Opposition in this House. There may be parts of the Withdrawal Agreement that we are not prepared to accept for Gibraltar. Then, when we implement the Withdrawal Agreement, we may take the view that we will not implement those parts of the Withdrawal Agreement. They will continue to bite against the United Kingdom in public international law vis-à-vis the other party, the counterparty, which is the European Union. We would put the United Kingdom in default of its international legal obligations in respect of Gibraltar. Individuals would have claims against the signatory, which would be the United Kingdom, and the United Kingdom might have something to say to us. But the language that he is referring to is about prior approval for the entry of the treaty. In other words, the Commons, as he has been following on television, has to now give the Prime Minister the power to enter into the agreement. This is about what happens after there is an agreement internationally and how we give effect to it in this Parliament. That is why we cannot have that formulation of words. That is why this formula is to enable us to give effect in regulations, or via regulations, to the Withdrawal Agreement *in extremis* but why we are committed to bringing back a Bill on the Withdrawal Agreement to this House, if there is a Withdrawal Agreement, to have the debate in this House.

So, they are going to have the debate if they want it, but I will not be persuaded that they want to have a debate, because they could have had the debate, they could have put the MoUs in a motion for debate in this House. If they wanted that debate, they should have had it in December, but it was very clear to me that there was one view in respect to the MoUs in the Brexit Select Committee and another one which has emerged thereafter, and we are not having the debate on the MoUs because nobody elected by the GSD to this House has put them to have the debate. But they could have had it. They could have put the motion for debate.

So, we will bring a Withdrawal Agreement Bill and we will do that even if it is after 29th March, but *in extremis* and in the interim period we need to have the power to give effect to the treaty that, prior consent of the Commons, the Government of the United Kingdom may have entered into.

I hope I have broken it down sufficiently there, Mr Chairman.

Hon. D A Feetham: Mr Chairman, I understand all that. I was addressing the point, in order to see whether there could be some unanimity, that of course by parity of reasoning of everything that the hon. Gentleman the Chief Minister has said, they do not need to bring a Withdrawal Agreement to this House. They do not need to. They are bringing a Withdrawal Agreement to this House in order to allow this House to have a debate on whatever issues relating to the Withdrawal Agreement this House wants to have a debate upon. That is how I have understood it. They do not need to bring the Withdrawal Agreement.

If they do not need to bring a Withdrawal Agreement – *(Interjection)* Well, that is the way that I have understood it. If you do not need to, then of course you can introduce this clause, but the Government is not going to be moved anyway. But that is the point that I was making.

Hon. Chief Minister: Well, no, Mr Chairman, I do not agree. It is not that we need or do not need to bring a Withdrawal Agreement. It is very clear, in our view, that we need to bring a Bill to produce a Withdrawal Agreement Act, because there are some things that will require primary legislation.

720 What we are doing with clause 12 is giving ourselves an emergency power, in effect, in order
to be able to do things in respect of the Withdrawal Agreement where we may not have time,
not even with an abridgement of time, to bring a Withdrawal Agreement Bill to this House but
where we may need to start doing things – things related to Social Security, things which will
725 need to be done within a week. I am very conscious that March/April is the period of Easter as
well. We could find ourselves having to implement things during break time, so to speak.
Therefore, we believe that we do need to bring a Withdrawal Agreement Act, if there is a
Withdrawal Agreement, in order to do all the things that we will need to do through primary
legislation – which will not be all of them, will be some of them; and in order to be able to do
things quickly that we may have to do – if there was a Withdrawal Agreement – before we are
730 able to do that, we have this regulation-making power.

Hon. Deputy Chief Minister: So, it has nothing to do with –

Hon. Chief Minister: And, Mr Chairman, if the hon. Gentleman reads section 12(1), as the
735 Hon. the Deputy Chief Minister points out, we are specific in that because the power in 12(1) is if
a Minister considers that such provisions should be in force on or before exit day. This is not a
blanket power to bring about the effect of the Withdrawal Agreement at any time and going
forward; this is a limited power. But I think the hon. Gentlemen want to have the argument, they
want to pretend that they have an issue and they want to vote against the Bill, and if this is the
740 way that they are going to satisfy themselves to do so, so be it, but please do not make us
repeat ourselves anymore.

Hon. D A Feetham: What effectively the Government is saying is that when it refers to
'Withdrawal Agreement' it is not referring to effectively the Withdrawal Agreement as the man
745 in the street would understand the Withdrawal Agreement, which is the UK Withdrawal
Agreement Protocols, as we would then understand it, with the MoUs; it is the effect of the
Withdrawal Agreement. In other words, anything that the Government would need to do as a
consequence of the UK Parliament having agreed to the Withdrawal Agreement and the UK
having agreed with the EU Withdrawal Agreement – that is essentially what you are saying.
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Hon. Chief Minister: That is exactly what we are saying, Mr Chairman, and that is why there
is a definition of 'Withdrawal Agreement'. And that definition does not mean the Withdrawal
Agreement that Theresa May is fighting over in the Commons; it is a definition of what a
Withdrawal Agreement may be, which is not yet that – it may be that, but is not yet that.

755 But if the hon. Gentleman looks at the clause, Mr Chairman, not only is the power limited to
amendments which Ministers consider should be necessary because provision should be
enforced on or before exit day – that is the limit in 12(1); the limit in 12(2) is even tighter,
because we are not able to do those things unless a Minister, or the Minister, believes it is
urgent or necessary in the public interest. These are very tight restrictions.

760 And then 12(3), Mr Chairman – I do not know whether Mr Feetham has looked at 12(3),
because I think it informs what he is saying. Let me read out 12(3):

No regulations may be made under this section after exit day.

There could be no tighter control on the Government. Indeed, what the hon. Gentleman
should be saying to me is 'Give yourself a little bit more power, because if the Withdrawal
Agreement is entered into at midnight on 29th March' – which is the way that European
765 diplomacy has tended to work – 'you can't make the regulations, even in respect of a situation
as tight as the one that you would think you might be in, where you might need power because
of something that needs to be enforced by exit day, but exit day and conclusion of Withdrawal
Agreement might both be the same.'

Generations from now when this debate is looked at and everything they have said until now is considered in the context of the limitation in 12(1), the limitation in 12(2) and the very tight limitation in 12(3), people will realise, if they vote against again, that they were not genuine in the things they said. So, I invite them to give value for the 24 hours that they have in my view wasted, in their view needed, and demonstrate that they now realise that this is not a power to circumvent this Parliament considering the potential Withdrawal Agreement and the parts that they do not like, because it is so tightly drafted I should be taking it out of somebody's salary how tightly drafted it is and the little power it gives – rightly so, if I may say so.

Hon. D A Feetham: Mr Chairman, everybody here on this side of the House taking a position simply because we want to be difficult or we want to embarrass the Government ... We are taking a position that is held in good faith because of genuine concerns in relation to this, and we have attempted ... Indeed, I repeat what I said during the course of my own intervention, that during the course of the Select Committee I invited the Government to consider hiving off some of this so that we could avoid having this particular argument.

I understand and have some sympathy for some of the points that the Hon. the Chief Minister has made, but the problem with this is, in my respectful view, the definition of 'Withdrawal Agreement' in the Bill and the way that the Withdrawal Agreement is defined in the Bill. That is the difficulty and that is what causes us difficulty with the position that we have taken, which is a political position, which the GSD obviously does not want that position to be compromised by us voting in favour of the Bill, despite the fact that we have said that we agree with 99% or 98% of it.

Hon. Chief Minister: Well, Mr Chairman, I do not think the hon. Gentleman has to explain himself in the way that he has.

Let me just say to him that the definition of 'Withdrawal Agreement' is the only definition there can be. If the United Kingdom and the European Union enter into a Withdrawal Agreement, that is the Withdrawal Agreement that removes us from the European Union and has to be given effect to. So, whether we like it or not, that is our advice. The advice that we have is that, whether or not we like it, it will have consequences in public international law. The United Kingdom remains responsible for Gibraltar's compliance with its international obligations; therefore, we need to be able to implement the Withdrawal Agreement in Gibraltar and we need this very limited power in order to be able to do so.

Mr Chairman, can I just take the last point that the hon. Gentleman has made, which I think is an honest one, because I do not think we can hive it off. Whether he is making the arguments in good faith or not, I think this is a problem with which he has found himself, not one of his making – if it is helpful to him for me to say that very clearly. I do not think this is a problem of his making; I think this is a problem with which he has found himself.

I do not think he can embarrass us, however much the Opposition might try, and in terms of being difficult, a few hours here and there is not going to change the result. But let's be clear: this is a Bill that has to pass, for all the reasons that we have debated. If they have the concern that they have, I invite them – and now please let's put behind us all of the arguments that we have had to have, and I will do so now – I invite them, when I call a division in respect of this section, I invite them to vote against this section, which is the one that they said they have the problem with because the definition of 'Withdrawal Agreement', which is the only way of pretending that one has a problem with the rest of the Bill, is the definition there has to be, which is the agreement done between the United Kingdom and the European Union. That is the Withdrawal Agreement. Let them vote against this section and then let them support the Bill at the Third Reading because when history comes to judge, this is now the moment when we determine whether we leave the European Union together and whether we act together in taking our nation out of this union, of which we wanted to continue as members, or whether we

820 act in a fractured manner even on something where the argument is esoteric and legal. That, Mr Chairman, is an invitation I make in good faith.

Hon. D A Feetham: Mr Chairman, I am very grateful to the Hon. the Chief Minister and I think the Leader of the Opposition is now going to identify the sections that we will be voting against, which will allow us to set out our position on the record and then would allow us to vote in favour – the Leader of the Opposition will correct me if I am wrong – of the Bill in general.

Hon. Chief Minister: Mr Chairman, I think that is a very constructive approach, if I may say so. I think it is unfortunate that it has taken this far in the debate for them to reach that position, but I think it is a much more constructive attitude than they have shown to date.

Mr Chairman: Does anybody else wish to raise any other point on clause 12? Yes, the Hon. Roy Clinton.

835 **Hon. R M Clinton:** Yes, thank you, Mr Chairman.

On clause 12 there are two points. One is that – and I fully appreciate that there is a lot of similar, not identical, language with the UK Withdrawal Act 2018, but the mirror-image clause 12 in the UK Act has four clauses and there is one which restricts the regulations that may be made under that section and imposes five restrictions, (a) to (e), which no doubt the Government will be familiar with:

- 8(7) But regulations under subsection (1) may not—
- (a) impose or increase taxation or fees,
- (b) make retrospective provision,
- (c) create a relevant criminal offence,
- (d) establish a public authority,
- (e) be made to implement the withdrawal agreement,
- (f) amend, repeal or revoke the Human Rights Act 1998

And maybe the Human Rights Act 1998 does not apply here, but it has some kind of restrictions as to what may be done by regulation, and I would be interested to hear why we do not have similar type restrictions in this section for our domestic legislation.

The second point I would like some clarification on is – again, I recognise that a lot of the language has been lifted from the United Kingdom European Union (Withdrawal) Act, including the definitions, and I just query whether using the same definition of ‘Withdrawal Act’ as the UK is using is appropriate in our case because they use the same language. I think that the bit that is problematical, I suppose, is where they say ‘whether ratified or not’ and whether in our case we should say ‘as ratified’. Again, I am not a lawyer but it just seems more logical in our case that we are only interested in an agreement that actually exists.

I would be grateful for the Government’s views.

Hon. Chief Minister: Mr Chairman, there are two points there. I will take the first one on ratification first. A withdrawal agreement may have been entered into but it may not yet have been ratified, because ratification may require a period of time and formal ratification sometimes – as the hon. Members will now know, given what I have had to tell them about the depositary in the context of the Hague Convention – sometimes requires months to catch up with itself, and it is just a technical process. Therefore, we may need to give effect to things which have an effect on people’s lives on day one, although the ratification process is ongoing. The Maastricht Treaty was signed up by all the parties. Ratification does not mean the moment of signature in international treaty language. That is one part of ratification, but if all the parties are agreed ratification can then take its course, and that is why the language has to be that language.

Second, Mr Chairman, the reason why we agreed to take out the five criteria which are not relevant to us ... The hon. Gentleman can rest assured we have absolutely no intention of raising taxation, creating a public authority, creating criminal offences – other than that of being a very difficult Member of the Opposition – etc. But the hon. Member has failed, in his analysis, to point out to the House that actually our regulation 12(2) is much tighter than the United Kingdom regulation. We have an additional very high threshold bar where the Deputy Chief Minister insisted on adding that in order to exercise the power it not just be urgent but it be necessary in the public interest. The public interest is the highest bar that the Government must set for itself. The Government must say, ‘I need to do this in the public interest’; you never do that lightly. That is an additional set of handcuffs that have been added by our draftsmen which are not in the UK draft, which makes it even harder for us to use this power than it is for United Kingdom ministers, where as long as they do not trip themselves up on the five key elements that the hon. Gentleman has pointed out, then the only box they need to tick is the box of urgency. We need to tick the box of urgency and the box of public interest.

Mr Chairman: Is there any other matter? Yes, the Hon. Leader of the Opposition.

Hon. E J Phillips: Mr Chairman, I am grateful for the intervention by Mr Feetham, and in fact that is exactly the position that we attempted to reach last night and this morning with our own team. It is unfortunate that blood had to be spilt, but we have now mopped it up and I think we have come to a reasonable position.

I am grateful for the invitation extended by the Government to this side of the House and I can indicate from this side of the House, insofar as the sections that we find objectionable, that we will vote against 5, 7, 11 and 15 as well as, of course, the interpretation as it relates to section 12, i.e. the part of section 3 that relates to section 12. The reason why we will vote against in terms of 5, 7, 11 and 15 is because of the potential read-across with section 12 on the implementation of the Gibraltar Protocol, the Withdrawal Agreement and the MoUs, which we have said that we do not endorse. That is the reason why we will adopt that accommodation, which will inevitably mean that we will vote in favour of the Bill at the Third Reading.

Hon. Chief Minister: Mr Chairman, in the collegiate spirit that we must all display at these difficult moments for our community, I am delighted to hear that we have been able to reach that accommodation.

I am sorry to tell the hon. Gentleman that clauses 5, 7 and 11 have already stood part of the Bill and nobody has voted against them, but I am prepared, in the context of trying to achieve something positive for the community, to ask you, Mr Chairman, as Leader of the House, whether you will agree to put those sections again for the vote so that hon. Members can vote against them, or whether we could simply record their view that they would have voted against them if a division had been called in respect of those clauses; also, Mr Chairman, with the caveat that when I am teaching the course on Gibraltar’s withdrawal from the European Union at Gibraltar University, which will then be one of the most successful law courses available in Europe, I will be pointing this out when I take people through the *Hansard*.

Hon. E J Phillips: Mr Chairman, I know we have not got there, so I am taking this out of order, but in relation to 15 could the Deputy Chief Minister or the Chief Minister just clarify one thing for me in relation to 15(1) and 15(4): does the Government feel slightly uncomfortable that this may ‘loosen the handcuffs’, as the Chief Minister put it, in relation to the powers and the restraints on the power under section 12(2) and (3) in terms of consequential and transitional provisions, whether or not ... I am not sure, and that is why I am asking for clarification as to whether there is a loosening of the handcuffs there.

915 **Hon. Chief Minister:** It is all because those are the transitional, transitory or saving provisions, but they still have to get over those hurdles. You are not able to do anything which might be in relation to the Withdrawal Agreement – because, remember, 12 is in relation to the Withdrawal Agreement. You are not able to exercise the 15(4) power in respect of a matter which arises in 12(1) or 12(2), or indeed after exit day at all in respect of the Withdrawal Agreement, in any way which is looser than that provided in clause 12. The read-across is obvious and if the hon. Gentleman needs the Government to say that we accept it, we definitely do; it is our thinking in drafting it.

925 **Mr Chairman:** Is there any other? Then, as I see it, it is the desire of hon. Members that we should go back to –

Hon. Chief Minister: I think we have agreed, Mr Chairman, that the Clerk will record that in respect of clauses 5, 7, 11 and 15 hon. Members enter a negative vote on a division.

930 **Mr Chairman:** That is the official Opposition.

Hon. Chief Minister: And 12.

935 **Mr Chairman:** The official Opposition –

Hon. Chief Minister: The official Opposition votes against those.

940 **Mr Chairman:** Government Ministers who are present here and the Hon. Marlene Hassan Nahon are voting in favour of those clauses.

Hon. Chief Minister: Yes.

945 **Mr Chairman:** Very good. That will make the politics overrule the Rules. Now, we are still on 12.

A Member: No, we have finished that.

Mr Chairman: Is there any other –?

950 **Hon. Deputy Chief Minister:** I think that is it.

955 **Mr Chairman:** The official Opposition are voting against clause 12 and therefore, of course, the hon. Members of the Government present and the hon. Marlene Hassan Nahon are voting in favour. Therefore, clause 12 stands part of the Bill.

Clerk: Clause 13.

Mr Chairman: Stands part of the Bill.

960 **Clerk:** Clause 14.

Mr Chairman: Stands part of the Bill.

965 **Clerk:** Clause 15.

Hon. E J Phillips: We vote against that clause on the basis of our [Inaudible].

Mr Chairman: You are voting against.

The Hon. Marlene Hassan Nahon – in favour?

970 Again, clause 15 stands part of the Bill with the Government Ministers and the hon. Lady voting in favour and the official Opposition against.

Clerk: Clause 16.

Mr Chairman: Stands part of the Bill.

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Clerk: Schedule 1.

Mr Chairman: Stands part of the Bill.

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Clerk: Schedule 2.

Mr Chairman: Stands part of the Bill.

Clerk: Schedule 3.

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Mr Chairman: Stands part of the Bill.

Clerk: Schedule 4.

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Mr Chairman: Stands part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

995

Hon. E J Reyes: No – may I, Mr Chairman? Just for the record, I know when you have read it or when the Clerk has read it we have corrected the typographical error so that if there is any future reference we have noted the typographical error.

1000

Mr Chairman: Yes, 2019, purely typographical.

**Parliament (Amendment) Bill 2018 –
European Union (Withdrawal) Bill 2019 –
Third Readings approved: Bills passed**

Mr Speaker: The Hon. the Chief Minister.

1005

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Parliament (Amendment) Bill 2019 and the European Union (Withdrawal) Bill 2018 have been considered in Committee and agreed to without amendments and I now move that they be read a third time and passed.

1010

Mr Speaker: I now put the question, namely that the European Union (Withdrawal) Bill 2019 and the Parliament (Amendment) Bill 2019 be read a third time and carried. Those in favour? **(Members: Aye.)** Those against? Carried.

FIRST AND SECOND READING

**Medical and Health (Amendment) Bill 2018 –
First Reading approved**

Clerk: We now go to Bills for First and Second Reading.

A Bill for an Act to amend the Medical and Health Act 1997 so as to expand the power to make regulations under section 66.

1015 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 and Health Act 1997 so as to expand the power to make regulations under section 66 be read a first time.

1020

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Medical and Health Act 1997 so as to expand the power to make regulations under section 66 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

1025 **Clerk:** The Medical and Health (Amendment) Act 2018.

**Procedural –
Guidance re neutral motions**

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should now adjourn to Thursday, 21st February at 3 p.m.

1030 **Mr Speaker:** Before I put the motion for the adjournment, there is a matter on which I think Members generally may find some guidance useful, and that is that motions brought to Parliament do not always have to be contentious or party political. There is the mechanism of a neutral motion. It is used in the House of Commons as well and it has been used here in this Parliament when consideration is given to the Report of the Principal Auditor. I indicated as much in conversation from some time ago to the Hon. Roy Clinton, who takes a very close
1035 interest, I am glad to say, in these matters, and I indicated that that was a possibility. What is the advantage? The advantage is that all hon. Members can speak to the motion, express their views and a vote does not have to be taken. Members can either vote ... It does not mean anything because all that Parliament is doing is noting the contents of the documents involved and they can express whatever view they want to express. I have mentioned that, given what the Chief
1040 Minister has said and the fact that we are recessing for about three weeks and that gives an opportunity for Members to think about that possibility, if they so wish.

I now put the question, which is that the House should adjourn to Thursday, 21st February at three in the afternoon. The House will now adjourn to Thursday, 21st February at three in the afternoon.

The House adjourned at 4.31 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.10 p.m. – 5.20 p.m.

Gibraltar, Thursday, 21st February 2019

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The Gibraltar Parliament

The Parliament met at 3.10 p.m.

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

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

Order of the Day

BILLS

FIRST AND SECOND READING

Medical and Health (Amendment) Bill 2018 – Second Reading approved

Clerk: Meeting of Parliament, Thursday, 21st February 2019.

(ix) Bills for First and Second Reading. The Hon. the Minister for Health.

5 **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.

10 The Bill amends the regulation-making power in section 66 of the Medical and Health Act 1997 so that the Minister with responsibility for Health may make regulations granting prescribing rights to pharmacists. Such regulations are already in the process of being drafted and will be introduced after consultation with the industry, the GHA and the School of Health Studies.

15 Mr Speaker, as you will see from the wording of the amendment, regulations may only grant prescribing rights to pharmacists who have undertaken approved relevant training to prescribe specified medicines appropriate to such training. The required level of training, which will be set out in the regulations, is for the pharmacist to have successfully completed an accredited General Pharmaceutical Council pharmacist prescriber course. These are provided by several institutions in the United Kingdom but can also be undertaken via distance learning programmes. It is paramount that such training takes place to safeguard members of our community who will be using the services. Government went to local pharmacists to gain their views on this and identify whether other courses should also be considered for the purpose of allowing pharmacist prescribing.

20 Mr Speaker, there has been also a note from the amendment that any proposed regulations will not allow for pharmacists' prescribing rights to fall within the scope of the Medical Group Practice Scheme.

25 Secondly, the Government will specify in the regulations that pharmacist prescribers will not be able to prescribe controlled drugs.

We hope that having qualified pharmacist prescribers available to treat people for illnesses within their competence will be a great resource for the community, complement the fine

services already being provided by the Primary Care Centre and give our pharmacists an opportunity to expand their professional competence.

I commend the Bill to the House.

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

Hon. L F Llamas: Mr Speaker, we will be supporting this Bill. However, I would be grateful if the Hon. Minister could expand on the types of prescriptions that pharmacies could actually prescribe under the scheme, simply so we can have an idea of the type of illnesses that could be dealt with by pharmacists over the counter, so to speak.

Mr Speaker: Does any other hon. Member wish to speak before I call on the mover to reply? The Hon. the Minister for Health.

Hon. N F Costa: Mr Speaker, in the first place to thank the hon. Gentleman for indicating that the Opposition will be supporting the Bill.

The hon. Gentleman will have heard me say that the regulations will not allow for pharmacists to be able to prescribe controlled drugs, so that is entirely a scheme from which they will be excluded. He will also have heard me say that the regulations are being drafted and the reason why they have not been finalised is because we are in consultation with industry, the School of Health Studies and the GHA because we want to make sure that whatever drugs the pharmacists can prescribe are those that would be expected to be prescribed by pharmacists – such as, for example, antibiotics for certain conditions. There is no intention, at this stage certainly, for there to be a great expansion in respect of what the pharmacists can prescribe beyond what one would commonsensically expect a pharmacist to be able to do. As I say, these powers will be brought in by regulation, so that it will be very clear on the face of the legislation what it is that the pharmacists can and cannot prescribe.

The regulations will be crafted essentially by the School of Health Studies and by the GHA – in other words, by doctors and nurses. So this is not a political decision; it will be a clinical decision save that I have made clear that it cannot be controlled drugs and it will not be covered by the GPMS scheme.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Medical and Health Act 1997 so as to expand the power to make regulations under section 66 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Medical and Health (Amendment) Act 2018.

**Medical and Health (Amendment) Bill 2018 –
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

Clerk: Committee Stage and Third Reading. The Hon. the Chief Minister.

75 **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, namely the Medical and Health (Amendment) Bill 2018.

In Committee of the whole Parliament

**Medical and Health (Amendment) Bill 2018 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Medical and Health Act 1997 so as to expand the power to make regulations under section 66.
Clauses 1 to 3.

80

Mr Chairman: In the case of clause 1, we delete '2018' and substitute '2019'.

Hon. R M Clinton: Mr Chairman, may I?

85

Mr Chairman: Yes, the Hon. Roy Clinton.

Hon. R M Clinton: Thank you.

90 If I may just ask the Minister a general question. I do not know if this is the case in the United Kingdom, where the pharmacists actually do this at present. From a purely financial point of view, is there any financial incentive for pharmacists to prescribe under these rules – i.e. will they be able to charge the general public a fee for providing prescriptions under the Group Practice Medical Scheme, or is it that the Minister is trying to formalise an informal practice that may exist already? Is there any thinking around this? Is there going to be any provision for pharmacists to be able to charge people in order to give them a prescription, because obviously
95 this will take up their time? Are there any models you have looked at, in the United Kingdom for example, where pharmacists may already do this? I am not aware. Is there any thinking behind this, or is it just a remedial piece of legislation to look at what may be happening formally at present?

100 **Chief Minister (Hon. F R Picardo):** Mr Chairman, we are not at general principles and merits; we are in the Committee Stage. Of course, the Minister will try and assist in any way that he can but there is a part of this process which is legislative, which is where we debate. Questions like that are the questions that one would expect to hear put in the context of the Second Reading, not in the Committee Stage, where we are looking at the letter of the law to try and determine
105 whether there is anything that needs amending as a result of a principle that may have been agreed between both sides during the course of the debate on the Second Reading, or indeed if some errors have been picked up which are more than just merely typographical but which are in some way going to add to a better understanding of the Bill.

110 I will give way to Mr Costa if he wants to say something about what the hon. Gentleman has said, but we have to be careful not to find ourselves changing the way that Parliament works simply because we have forgotten to make a point during the correct part of the procedure when one is able to put points like this.

Mr Chairman: Once we are in committee the purpose is to consider any specific amendments that may be made to any particular clause or with regard to any particular clause. I think Members are entitled to raise a specific question about a specific clause but not about the general principles and merits of the Bill.

Hon. R M Clinton: I appreciate your comments, Mr Chairman. I also appreciate the Chief Minister's observation.

If we want to make it specific, then I would say: in section 3(2)(kc) should there be a charging provision for the pharmacist?

Minister for Health, Care and Justice (Hon. N F Costa): Mr Chairman, as I explained during the course of the general principles and merits of the Bill, the regime will not fall within the Medical Group Practice Scheme. That therefore means that the Government will not be making any contribution whatsoever for any prescribing by the pharmacist. If a pharmacist, after being properly trained and qualified to be able to prescribe, were to prescribe any medication, then of course that would be to the full account of the patient receiving the medication, and I daresay that the pharmacist will in fact charge the full rate and will not give it for free.

Mr Chairman: Clauses 1 to 3 stand part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Medical and Health (Amendment) Bill 2019 –
Third Reading approved: Bill passed**

Clerk: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Medical and Health (Amendment) Bill 2019 has been considered in committee and agreed with, with one minor amendment.

Mr Speaker: I now put the question, which is that the Medical and Health (Amendment) Bill 2019 be read a third time and carried. Those in favour? (**Members:** Aye.) Those against? Carried.

Standing Order 7(1) suspended to proceed with questions

Clerk: The 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 questions.

Mr Speaker: Do all hon. Members agree that the appropriate Standing Order be amended in order to proceed with questions? (**Members:** Aye.) Carried.

Questions for Oral Answer

CULTURE, THE MEDIA, YOUTH AND SPORT

Q1-2/2019

Gibraltar Sports and Leisure Authority facilities – Breakdown of fees received and pending in 2017-18 and 2018-19

Clerk: We commence with Question 1/2019. The Hon. E J Reyes.

155 **Hon. E J Reyes:** Mr Speaker, can the Minister for Sports provide a breakdown with details in respect of all fees paid by users of any facilities falling under the auspices of the Gibraltar Sports and Leisure Authority during the financial year 2017-18, indicating if they were for sporting, cultural or other types of events?

160 **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 2.

Clerk: Question 2/2019. The Hon. E J Reyes.

165 **Hon. E J Reyes:** Can the Minister for Sports provide a breakdown with details in respect of all fees paid, or pending to be paid, by users of any facilities falling under the auspices of the Gibraltar Sports and Leisure Authority during this financial year and indicating if they were for sporting, cultural or other types of events?

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

Hon. S E Linares: Mr Speaker, I now present the Hon Member opposite with a breakdown of details in respect of all fees paid and pending to be paid for the financial years 2017-18 and 2018-19.

175 **Answer to Q1-2/2019**

Breakdown of details in respect of all fees paid, or pending to be paid, by users of facilities falling under the auspices of the Gibraltar Sports and Leisure Authority

Financial Year 2017/2018

Income received:

Community Use	£10,994.00
Non Sporting Events	£11,954.41
Sporting Events	£107,523.50
Advertising	£15,000.00

Current Financial Year – 2018/2019

Income

Fees paid for Community Use	£ 4880.00
Fees paid for Sporting Event	£ 9614.00
Fees paid for Non-sporting Event	£ 8901.11
Sponsorship for Sporting Event	£15000.00
Advertising	£ 2000.00

Payments pending:

Non Sporting event	£ 2125.10
Community Use fee	£ 310.00

Q3/2019

**Gibraltar Sports and Leisure Authority facilities –
Cancellations since 1st September 2018**

Clerk: Question 3/2019. The Hon. E J Reyes.

180 **Hon. E J Reyes:** Can the Government inform this House how many cancellations have been necessary at any of the Gibraltar Sports and Leisure Authority's facilities since 1st September 2018, indicating the location, date and reason for the cancellation?

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

185 **Minister for Culture, the Media, Youth and Sport (Hon. S E Linares):** Mr Speaker, there have been no cancellations in any of the Gibraltar Sports and Leisure Authority's facilities since 1st September 2018. When the block allocations have been amended to accommodate events or special requests, allocation holders have been offered alternative suitable facilities.

Q4/2019
Victoria Stadium –
Maintenance of floodlights

Clerk: Question 4. The Hon. E J Reyes.

Hon. E J Reyes: Further to the answer provided to Question 367/2018, can the Minister for Sport indicate if there have been any changes to the agreement whereby the day-to-day maintenance of the floodlights at Victoria Stadium continues to fall under the responsibility of the Gibraltar Sports and Leisure Authority?

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, since my answer to Question 367/2018 no changes have been made to the agreement of the day-to-day maintenance of the floodlights, which fall under the GSLA's responsibility.

Hon. E J Reyes: So, Mr Speaker, can I ask from there ... I see the floodlight provision that can be available at the stadium has been enhanced, I am told, as a need for the forthcoming international games that the GFA have to play. Are these going to fall as part of the agreement with the GSLA, or are they coming under a totally separate agreement that the GSA has entered into?

Hon. S E Linares: No, Mr Speaker. The hon. Member asks about the floodlights as in the GSLA's facilities. The GSLA facilities include many other facilities and therefore the one that is actually on the pitch – number one, the main stadium – is the responsibility of the GFA now. Therefore, all that he is seeing now happening in the GFA, as in the main pitch, is the responsibility of the GFA. The day-to-day maintenance of all the others is still under the GSLA, except that one, which is specifically the one that the GFA is actually managing now.

Hon. E J Reyes: So, Mr Speaker, my understanding could not be totally clear, I think. The floodlights that serve pitch number one of the Victoria Stadium – which is what I referred to in the question – the four main pylons that are there on a permanent basis, do those not form part of an arrangement I had understood from a previous answer? Does that not form part of an arrangement whereby the GSLA carries out maintenance to those? The Minister in previous answers has told me that the bill was footed by GFA but the maintenance was carried out by the GSLA. Perhaps the Minister has to correct me if my understanding is erroneous.

Hon. S E Linares: Yes, Mr Speaker, it is a question of ... the day-to-day management of the whole of the Victoria Stadium, including the floodlights, was the responsibility of the GSLA, although the GSLA is aiding the GFA in running the place because they have not got the resources to do so. The GSLA will help out the GFA but the responsibility is not the GSLA's. The GSLA might advise the GFA with the people who are doing it, but it is not the GSLA's responsibility; it is the GFA's responsibility, albeit with the GSLA helping them out in whichever way the GFA needs.

Q5/2019
S&K –
Update re replacement

230 **Clerk:** Question 5. The Hon. E J Reyes.

Hon. E J Reyes: Further to the answer provided to Question 579/2018, can the Minister for Sport now confirm that S&K has now found a suitable replacement?

235 **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, since the answer provided to Question 579/2018, the recruitment process for the vacant post of Administrative Assistant has now commenced and a suitable candidate will be recruited shortly.

240

Hon. E J Reyes: Mr Speaker, just for the sake of clarification, the recruitment process has commenced by the GSLA so that it becomes a full GSLA employee – am I correct in assuming that?

245 **Hon. S E Linares:** Yes, sir.

Q6/2019
MTV Gibraltar Music Festival –
Cost of 2018 event

Clerk: Question 6. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise what was the net cost of the 2018 MTV Gibraltar Music Festival?

250

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 answer remains the same as my answers to Questions 5/2017 and 1/2016.

255

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer but I must ask him: given that there are half-year numbers available for his Department that show him to be 12% over budget already as opposed to 25% over budget last year – and I was minded to congratulate him on that – does he really have no numbers at all available on the cost of the Music Festival he can share with this House? I do find it somewhat surprising – given I do ask this question every year – that he has no numbers to share with us.

260

Hon. S E Linares: Mr Speaker, the answer remains exactly the same as I have answered the hon. Member: there are no numbers. We had this discussion, this same debate, last year and I think we are going to be wasting our time again having the same debate.

265

I am not going to give him numbers which are changing every day. Receipts come, revenues come in and it is all the time changing on a day-to-day basis. Like I said last year, on the budget we will let the hon. Member know all the details – which was the answer to what I said last year. It is exactly the same and I will repeat it for him: 'Full details of payments and income generated

270 in the 2016' – which was then; now it would be 2018 – 'Gibraltar Music Festival have not been
finalised. Government will be publishing full details once it has been finalised.'

Hon. E J Reyes: Mr Speaker, I am grateful for the Minister's repetition of his answer from last
year and the year before, but can he at least confirm to the House that, as far as he is
275 concerned, he will be coming in on budget this year?

Hon. S E Linares: Mr Speaker, the answer is exactly the same as I have just repeated. I am not
going to repeat it again.

INFRASTRUCTURE AND PLANNING

Q7-9/2019

Roads and pavements – Resurfacing and/or replacement

Clerk: Question 7. The Hon. T N Hammond.

280

Hon. T N Hammond: Mr Speaker, what is Government doing about the deplorable state of so
many of our roads?

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

285

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, I will answer this
question together with Questions 8 and 9/2019.

Clerk: Question 8. The Hon. T N Hammond.

290

Hon. T N Hammond: Mr Speaker, which roads have been resurfaced since 1st January 2018?

Clerk: Question 9. The Hon. T N Hammond.

295

Hon. T N Hammond: Which pavement surfaces have been resurfaced or replaced since
1st January 2018?

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

300

Hon. P J Balban: Mr Speaker, in answer to Question 7, the Government has an annual
resurfacing programme in place.

Rodgers Road has very recently been resurfaced and preparatory works are continuing along
Upper Witham's Road and St Joseph's Road, which will also be resurfaced shortly.

305

Apart from the resurfacing programme, the Government also carries out maintenance repairs
to address potholes along our roads as and when required. Road repairs have already been
carried out at various locations around Gibraltar, including Bayside Road, Transport Road,
Winston Churchill Avenue, Secretary's Lane and the entrance to Coaling Island.

The amount of development and construction activity on our roads regrettably has a direct
impact on the state of our roads. Whilst we could, of course, carry out a full resurface in some
areas which are in poor condition, more often than not, and in order to make best use of
available funding, the Department carefully considers whether certain stretches of road may be
310 able to wait until major construction activity in the area has ceased and all essential

infrastructure has been laid. In this way, any investment made into resurfacing may be longer lasting.

315 In answer to Question 8, Rosia Road from the south and north junctions with Cumberland Road, St Bernard's Road, Europa Road in the area of the ex-1772 Club, Rodgers Road and Devil's Tower Road by the area of the new mini roundabout, have been resurfaced since 1st January 2018.

320 In answer to Question 9, although no major resurfacing of pavements on the public highway has been carried out since 1st January 2018, the Highways section of the Technical Services department continuously carries out ongoing maintenance to all footpaths and pedestrianised areas as and when required. These repair works generally include the replacement of loose, damaged or sunken paving slabs.

325 **Hon. T N Hammond:** Mr Speaker, does the Government, or does the Minister, believe ...? I am struggling to get my head around this policy. Considering the extensive nature of the building works that go on in Gibraltar and considering the fact that there seems to be no end in sight to those building works, how can we have a policy whereby we will not fix a road until we believe ...? And bear in mind there are only a couple of roads that most of the vehicles can use
330 when coming into Gibraltar, and the vast majority of them all go down Glacis Road, Queensway, that area, Winston Churchill Avenue, because those are the only roads available. Assuming construction at some point is going to stop in the future – and I hope it does not, because it would not be good for our economy, obviously – how can the Minister say he will not consider resurfacing a road until such time as construction has ceased or has reduced significantly?

335 Certain roads are always going to see the passage of heavy goods vehicles and concrete mixers and all of those other vehicles that cause damage to the roads, and frankly certain of the roads are falling to pieces. Winston Churchill Avenue at the Frontier is falling to pieces. There will always be heavy traffic along that road. Granted, the tunnel may make some difference, but are you just going to let it fall apart in the meantime? We know the tunnel is at least a year
340 away, so we are going to ignore it? (*Interjection*) No, it is not good enough. That is an entry point to Gibraltar. The road beyond Winston Churchill Avenue is also falling apart, Glacis Road is falling apart, and yet the answer is 'We will wait for the building works to finish.'

It just does not make sense. Is that seriously the Government policy, to wait for there to no longer be lorries travelling the streets of Gibraltar so that we can fix our roads?

345

Hon. P J Balban: Mr Speaker, the three main roads to the arteries into Gibraltar, the ones that the hon. Member has mentioned, are exactly the three roads where construction is at the moment, the main construction in Gibraltar, and as these constructions start to finish ... For example, the Ocean Village building is coming to an end, so that is the time when they will be
350 prepared. To throw taxpayers' money into roads to fix them and then have to resurface them again within months because invariably and inevitably lorries will keep coming down those roads ... That is not to say that the roads are necessarily ... They may not be aesthetically very good to the eye – they are not, I must admit – but they are looked after, they are cared for. In terms of potholes there is constant review of the roads in terms of potholes to make them safe.
355 They may not look right, they may have patches of different colours, but all trench work and all roads which become, parts of the road which become bad in any way are fixed and repaired. There is an ongoing programme that deals with that. But to throw good money, taxpayers' money, into fixing roads completely at the height of construction activity when all the lorries are passing through there just does not make sense at all.

360 We have recently issued a press release stating ... The hon. Member has mentioned our roads where construction works are coming to an end. For example, Midtown is coming to an end, Ocean Spa is coming to an end, the school at Notre Dame has finished, the works to St Anne's School are mainly affecting the Laguna area, not that stretch of road, and this is why we have recently announced that now it is fast approaching the time where we can look seriously into

365 resurfacing larger sections of road which have fallen out of repair for a while – but they have been looked after.

The other stretch of road which the hon. Member mentioned is the stretch of road as you come into Gibraltar, which is a road which shortly, within months, will no longer be the road into Gibraltar, so to actually spend ... I do not know whether the hon. Member is aware of the cost involved in resurfacing a road – I think that is something which he needs to be aware of. To actually repair a road which is not going to be there – in fact, which is going to be actually worked upon once the tunnel is finished, because obviously there still will be required access to the supermarket and to areas perhaps where the hon. Member works, close to that, and all that will be fully part of the scheme that is coming. To actually throw money into a stretch of road which will need to be remodelled – and which will need to be changed in structure because what there is now is not what will be there when the tunnel is finished – or that will be reconfigured ... It makes more sense economically to be able to fix that road, ensuring that the road is safe. And in my opinion it is safe. Yes, it could be smooth, but there are no holes in them and that is how they are fixed. *(Interjection)* Yes. No, there are no holes in them; and if there are holes, our engineers actually look at these roads and they are fixed as and when required, and that is an ongoing process. **(A Member: (Hear, hear.) (Banging on desks)**

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Hon. T N Hammond: Mr Speaker, whilst the Minister may be reluctant to throw taxpayers' money at holes in the road he seems to be perfectly happy for taxpayers themselves to be thrown into holes in the road, because the roads are full of holes and there are patchwork jobs which last a matter of weeks on occasions.

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To suggest that the roads are anything ... granted he did not say 'smooth', and at least I am glad the Minister admitted that the roads are in poor condition. To suggest that the passage of heavy vehicles associated with construction will stop because Ocean Spa Plaza or because a particular project ... when we still have so many projects further down the road –

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Mr Speaker: May I interrupt you?

Hon. T N Hammond: Yes, of course, Mr Speaker.

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Mr Speaker: You made a speech before you asked your previous supplementary. The Minister replied with another longwinded speech. That is enough. Ask a question. Make it short and to the point and I will ensure that the Minister gives you an answer which is also short and to the point, but please stop debating during Question Time.

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Hon. T N Hammond: Thank you, Mr Speaker. I shall ask a question.

With reference to Question 9, the Minister indicated that only small repairs had been conducted for pavements. Does he believe this to be in line with his manifesto commitment to make walking a more pleasant experience in Gibraltar?

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Chief Minister (Hon. F R Picardo): Mr Speaker, the roads are not in a poor condition in Gibraltar and that is not what the Minister said, and that is how the hon. gentleman started his supplementary question. In his first question – and his supplementary must arise from that – he mentioned three roads: Queensway, Winston Churchill Avenue and Glacis Road. The Minister's point, which is an important one in the answering of the question that was asked, despite the soliloquy, is that there is construction on those roads at the moment.

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And so, Mr Speaker, the Government's answer to the hon. Gentleman's supplementary is as follows. The roads are improved from the condition that we inherited, and walking is a very pleasant experience indeed. I walk every morning with three children. I sometimes see the hon. Gentleman sitting next to him also walking with his children. None of my children have ever fallen into a pothole, because there are absolutely none on the roads that I walk. If there are any

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potholes, then immediately that they are brought to the attention of the Government they are dealt with. And walking, Mr Speaker, in my experience, is much more pleasant an experience than waiting in a car for the traffic to clear.

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Mr Speaker: Is the Hon. Minister going to provide an answer to the specific question supplementary on Question 9? Or the Chief Minister, if he wants to?

Hon. Chief Minister: I have provided the answer on behalf of the Government. The question, Mr Speaker, was whether or not we thought that we were complying with our manifesto commitment that walking was more pleasant, and I have answered – indeed, citing examples of pleasant walking involving the Leader of the House and one of the Members sitting opposite.

Mr Speaker: Does the Member wish to come back with a further supplementary? No. Before we go on to Question 10, I am going to allow the Hon. Edwin Reyes to ask supplementaries arising from Question 2.

Hon. E J Reyes: Thank you, Mr Speaker.

In respect of the joint answer to Questions 1 and 2, where I had asked for details of all fees paid by users, can the Minister offer some information? I can understand the community use figures covered in both years, but in respect of financial year 2017-18 under the subheading ‘Non Sporting Events’ – plural – there is £11,954, yet for 2018-19 it says fees paid for ‘Non-sporting Event’ – singular, not plural – £8,901, and then in pending payment, ‘Non Sporting event’ in singular.

Would the Minister happen to have any details of how many events we are talking about in respect of each financial year? He may, as well, even be able to give me, say, ‘There were two events and event A cost so much and event B paid so much.’ I do not know what other information he can offer in that respect.

Hon. S E Linares: Mr Speaker, I would have wanted notice of that question, but the hon. Member knows that in the spirit of aiding the Member to try and home in to his question I am willing to find out exactly what he is asking and I will give him the answer as soon as I get it.

Mr Speaker: Very well.

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Hon. E J Reyes: Yes, thank you, Mr Speaker.

And whilst he is searching for the information, the same happens in 2017-18. ‘Sporting Events’ has a figure of £107,000, and because it is in the plural I am perhaps presuming it is more than one event because in 2018-19 it says ‘Fees paid for Sporting Event’ only £9,614. So perhaps, again, if he does manage to get an information breakdown ...

And whilst I am at it, Mr Speaker, I am going to ask him: in 2017-18, under the heading ‘Advertising’ we get a revenue of £15,000; in 2018-19 the advertising figure drops drastically down to £2,000 but a new heading appears that has not appeared the year before, which is ‘Sponsorship for Sporting Event’ of £15,000. Too much, perhaps, of a coincidence with the figure for 2017-18, so can I abuse the Minister’s generosity to find information, and when he has all that information we can come back to it, Mr Speaker, if you please?

Hon. E J Reyes: Mr Speaker, since he has asked so many questions, I would appreciate it if he could write to me and I will answer every single question that he is asking for. I will just write a note.

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Just to go back, I would reckon that, for the advertising, one is big and one is small due to the fact that, remember, the footprint of the Bayside complex is now smaller for the GSLA. Whilst the Victoria Stadium pitch number one attracted more advertising, now with it being part of the

470 GFA it is up to them to collect that revenue, so the revenue might have been different due to that. But I will ask the hon. Member to write to me a letter on all the questions here and I am willing to give him all the answers.
Thank you.

Q10-11/2019
Upper Town escalator –
Vandalism and misuse of emergency buttons

Clerk: Question 10. The Hon. E J Phillips.

475 **Hon. E J Phillips:** Mr Speaker, further to Question 477/2018, can the Minister state what is meant by 'it is a matter of policing'?

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

480 **Minister for Infrastructure and Planning (Hon. P J Balban):** Mr Speaker, I will answer this question together with Question 11/2019.

Clerk: Question 11. The Hon. E J Phillips.

485 **Hon. E J Phillips:** Can the Government state what sanctions are currently available under our laws to deal with the misuse of the emergency buttons on the Upper Town escalator?

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

490 **Hon. P J Balban:** Mr Speaker, measures are in place to deter and dissuade vandals. However, if these acts continue to happen it is a matter for the Police to handle within the legal means available using any CCTV camera footage available. To this end, Gibraltar Car Parks Limited reports these misdemeanours to the Royal Gibraltar Police. The CCTV footage is kept in the control room and is available to the Royal Gibraltar Police on request, from the security contractor.
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In answer to Question 11, I am advised by the Royal Gibraltar Police and the Gibraltar Law Offices that there is no specific legal provision for the misuse of the emergency buttons. However, the offence of criminal damage under Part 14 of the Crimes Act 2011 may be applicable if actual damage is caused, although this would be a matter for the Royal Gibraltar Police to pursue.
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As part of the operational process, Gibraltar Car Parks Ltd, as the company responsible for the management of Engineer Lane Car Park and the access facility to the escalator, reports incidents to the RGP if a person pressing the emergency button is caught on camera.

505 **Hon. E J Phillips:** Would the Minister consider bringing legislation to bring about a sanction in relation to the misuse of the button itself? You can understand situations arise where young people or the elderly would press the button – and it has happened and the reports I am receiving from members of our community is that their interaction with the Police is that there are no sanctions available save for, I understand, the criminal damage point.

510 Why not introduce a provision for the misuse of the button, as is often the case on public transport across the world? For instance, if one travels on the Tube, if you pull the emergency cord it is an automatic offence if you have no good reason to do so. Would the Minister consider

bringing legislation before this House, or at least by way of regulation, in relation to a sanction for misusing the button itself rather than rely on 1967 legislation on criminal damage?

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Hon. P J Balban: Mr Speaker, when advice was sought in this regard, the advice that came back stated expressly that pressing the emergency button would potentially amount to criminal damage if it causes permanent or even temporary impairment of its value or usefulness. The advice received was that there are ways of taking this forward, should it be felt necessary to do so.

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So, the advice received from the relevant department was that they felt that the law adequately covers for this and that it would be a matter of enforcement rather than a need to introduce further legislation. That was the advice that came back to us when we asked that question.

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I do hear the point that on public transport there are signs, and that is something which can be looked into, but when we actually asked this question specifically ... Obviously it is a massive nuisance every time, and there are things in place to prevent it. You cannot just kick the button with your foot quietly; you actually have to lift a flap. There is a plastic protection for it. Originally the escalators came without this protector, so it was even easier then just to kick it and off you go. And setting it back to work is a pretty simple process as well, but the problem is that if they keep doing it, every so often – I think every third go – they need to call the maintenance team in because the escalator software assumes that there may be something more sinister behind the breakage and they need to reset the system. But we have protected it, so now you have to intentionally make a point of lifting the flap and pressing the button, so there is no accidental ...

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Just to finalise, this question was asked and the reply and advice was as stated.

Hon. E J Phillips: I am certainly grateful to the Minister for clarifying the advice that he has received from the Government legal offices, but I would also ... We have clearly established that there is no need, according to the legal advice, to strengthen the existing legislation to deal with this particular aspect, but certainly in our view I think it would help for signs to be installed at the location of the button confirming that anyone who is misusing or otherwise improperly using the button may well be susceptible to prosecution, or at least a fine at whatever level is imposed. That may – again, given the fact that this particular escalator has been out of action for nearly six months out of the last 12 months – may deter further incidences.

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Hon. P J Balban: Mr Speaker, it is incorrect to say that it has been broken for six months of the last 12 months. There are obviously times when the escalator has stopped working, and that can take from minutes to hours for it to be restarted again, but it is not that the escalator has been out of action for a period of six months and no one has been able to use it. It is sporadic, but it has happened very frequently.

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In fact, we have been looking to see whether we can upgrade the legislation within the Ministry itself to see whether we can adopt a similar system as there is ... But again, when we saw the legal advice that was what came back and obviously we will pursue that in due course.

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Mr Speaker: Next question.

ENVIRONMENT, ENERGY, CLIMATE CHANGE AND EDUCATION

Q12/2019

**Bunkering –
Measures to reduce environmental impact**

Clerk: Question 12. The Hon. T N Hammond.

560 **Hon. T N Hammond:** Mr Speaker, is Government considering any measures to reduce the impact of bunkering, in particular the fumes produced by the activity, on residential areas?

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

565 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):** Mr Speaker, the Port Authority chairs regular meetings of the Bunker Forum with operators in order to keep track of any technological advancements and incorporate them into local regulations.

570 Gibraltar currently has the strictest limits in place to tackle hydrogen sulphide, the compound which is directly responsible for the so-called 'bunker smells'. All bunker deliveries are carried out under the framework of a code of practice which is internationally recognised as an industry exemplar of best practice, and the procedures contained within this framework are constantly reviewed and revised by the Port Authority.

575 Mr Speaker, I would add that the Government has also increased the staff, resources and equipment available to continue to enforce the strictest control on the bunkering industry in Gibraltar and will continue to work to reduce any negative environmental impact further, and I am grateful to the Port Authority for having facilitated this answer for me.

There are other questions on bunkering but they will not have such a direct bearing on the environment and will be answered by the Minister with responsibility for the Port.

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Hon. T N Hammond: Mr Speaker, I understand the Minister's answer. I understand that processes are regularly reviewed – at least from his answer I understand that. It does concern me, however.

585 The Minister did mention hydrogen sulphide – of course benzene, I understand, is another product of bunkering which can impact people and is very harmful to people. Would the Government consider having an independent report, an independent assessment conducted of the practices, just to understand if there is anything better, any improvement in practices that can be introduced in order to give those people who live in areas that are affected by bunkering and fumes from bunkering the peace of mind that actually it is not affecting their health?

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Chief Minister (Hon. F R Picardo): Mr Speaker, this is a theme that sometimes cuts across the questions that we hear from hon. Members opposite, that they seem to place no reliance whatsoever on the professionals that are employed by the public administration and paid by the taxpayer.

595 The people who advise both the Hon. Member's Ministry, the Ministry for the Environment, and the people who advise the Minister for the Port do so primarily with the protection of the citizens of Gibraltar as a primary objective. In particular in the Ministry for the Environment the objective is to protect the environment and not to ensure that business can go on if it is going to damage the environment or indeed the public health, and those who are looking at this from the point of view of the environment are looking at the environment in respect of its causal link to public health. In the Ministry for the Port and Transport the primary objective is not to do more business in the Port; the primary objective is to ensure that everything that is done is first of all

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done in a way that is safe for the whole of the population, in particular for those who work in port activities, and then that it should be competitive.

605 I will put it to hon. Members opposite that they need to have a little bit more respect for the public officers of Gibraltar, whether they are involved in finance and in the preparation of estimates and reports or whether they are involved in the reporting to the GPA in respect of how bunkering is done or to the Ministry for the Environment in respect of how bunkering is done.

610 For me, the best, the most objective and most independent report is a report carried out by a Gibraltar Government professional who will be looking at those things first, and we should not think that we can bring people from outside Gibraltar to do something in Gibraltar better than those who are here every day.

615 I would just add this caveat, Mr Speaker, in respect of bunkering in particular, where the Gibraltar bunkering code has actually formed the basis of codes adopted elsewhere in the world – in fact, I learnt this when I was in Opposition and I was told this by Mr Holliday, who was the Minister for the Port the bunkering code in Singapore is based on the Gibraltar bunkering code. I think there is a lot to be gleaned from that, Mr Speaker, and I would urge respect from Members opposite for the independence and professionalism of the public officers of the Government of Gibraltar.

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A Member: Hear, hear.

Hon. T N Hammond: Mr Speaker, I have absolute respect for the public officers doing their jobs here in Gibraltar.

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I raised the issue of an independent assessment because it was this Government itself that spent hundreds of thousands of pounds on a Strategic Transport Plan which was conducted by an external body not from Gibraltar. So, it just follows from that that they might consider doing something similar for the bunkering industry. But I understand – if that is not the case, that is fine; if that is not Government's intention, that is fine.

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I would ask Government what they are intending to do to allay the public fears that are very real regarding the bunkering industry and the effect it is having or may be having on people's health, because those fears are real and those concerns are real, and regardless of what the situation is or what Government may believe it is, it is not succeeding in communicating that well to people and it is not succeeding in allaying those fears in any way.

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Hon. Chief Minister: Mr Speaker, talk about mixing apples and pears! One thing is to say we want somebody from outside to come and look at this and give us advice because this is something that successive administrations have not been able to fix. It is not as if hon. Members opposite had left us a Gibraltar without traffic jams or with a perfect transport system. I do not think they pretended to do that. I think there was agreement that this needed looking at. Therefore, our view was let's bring in somebody who has not looked at this before, to bring a fresh pair of eyes to this and to see what advice they can give.

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That is one thing, Mr Speaker. It is quite another thing to raise the spectre of concern and say that the people whose job it is to protect us against those concerns should not be relied upon in respect of the advice they are giving and we should bring somebody from outside.

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You see, there is nobody in Gibraltar working for the Government of Gibraltar who is able to be the person that gives us an external new look at traffic in Gibraltar, but in the context of the protection of the population in respect of bunkering and noxious fumes and smells etc., there is the Ministry for the Environment who are doing that job, there is the Bunkering Superintendent – whose job it is to ensure that bunkering is safe – and of course I am reminded by the Hon. the Minister for the Port that the Environmental Agency, which is not a Government body, it is an independent agency, is called in every time that there is a noxious smell etc., and

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they will often call in the Bunkering Superintendent to see what information he can glean about any particular bunkering incident.

So I think it is obvious that the hon. Gentleman is seeking to mix apples and pears when he talks about the STTP in the same breath as now seeking to impute an unnecessary need for an independent report on bunkering.

I think he does give away that he is not respectful of the work that is being done by the professionals of the GPA, of the Ministry for the Environment or the Environmental Agency in the way that he frames his question. I just would look back, in trying to assess the genuineness of his complaints, to his concerns half an hour ago that we should quickly resurface a road that is soon no longer to be in use, as if that were the most important thing that we need to be bothering with; or indeed the concerns he raised two, three, four, five years ago about the potential dangers – just like he is saying now in respect of bunkering fumes – of liquid natural gas, which is now in the tanks at North Mole supplying the engines at North Mole, and none of the eventualities that hon. Members opposite ... are even talked about anymore.

Hon. T N Hammond: Sorry, Mr Speaker, in that very long speech the Chief Minister did not actually answer the question, which was what Government is doing to allay the fears of people who are experiencing the fumes from bunkering and are rightly concerned about what impact that might be having on their health. That was the question. I do not know what all the rest was about. I am rather surprised, Mr Speaker, that you did not intervene in any way.

Hon. Chief Minister: Mr Speaker, I am quite happy to distil for him what the answer was, because I thought it would have been quite obvious to anybody who was listening that I am saying that our professionals in this field are entirely reliable, and so if anybody in Gibraltar is concerned that there is a problem with a fume or a noxious emission or a smell, then they should report it to the relevant Gibraltar authorities.

The hon. Member seems more comfortable with relying on *Verdemar* or *Ecologistas en Acción* than he does relying on Gibraltarian professionals. For me, for this Government, for this Cabinet, the Gibraltarian professionals are the ones that we respect. We believe they know what they are doing and we believe that people should have confidence in them.

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

Mr Speaker: Next question.

Q13/2019
St Bernard's Hospital –
Solar panels

Clerk: Question 13. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide details regarding solar panels at St Bernard's Hospital, including the date, cost and supplier?

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 plant was commissioned in August 2017; the supplier was Green Resources Ltd, which was the successful tenderer; and the cost was £210,048.

Q14/2019

**Heritage and Antiquities Act –
Updated schedule of protected items**

Clerk: Question 14. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government advise when and how it intends to make publicly available an updated schedule of buildings, monuments and other items protected under the Heritage and Antiquities Act?

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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): Mr Speaker, the schedule of buildings, monuments and other items protected under the Heritage and Antiquities Act is already public and is contained in Schedule 2 of the Act.

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The Ministry for Heritage is currently working on an expanded version of this listing that will provide more detailed information on each site, together with photographs, plans etc. This is work in progress but a specific officer has been seconded in order to carry out this task.

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Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer. Could he answer two questions? Can he confirm that there is not actually, as far as I can tell, a dedicated Heritage Department website which links this sort of information together? If there is, I could not find it; but he may be able to enlighten me.

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And secondly, how long does he think it will take to put together the information as he just mentioned – which I did see a draft of and thought was impressive; how soon does he think that will be able to come into operation?

Hon. Dr J E Cortes: Yes, Mr Speaker, it is work in progress. There is no dedicated website at the moment and there will be a web page at least, once the work is complete.

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It is a lot of work, as the hon. Member has seen, because it includes photographs, it includes maps and a little brief on each of the sites. As I say, we have an officer – an officer and a half, actually – dedicated to that at the moment and I suspect that it will take a few months. I do not want to commit more to that, but I think this side of the summer.

Q15/2019

**Vacant teaching posts –
Update**

Clerk: Question 15. The Hon. E J Reyes.

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Hon. E J Reyes: Can the Minister for Education provide this House with updated details in respect of all vacant teaching posts, identifying the school/establishment where these may exist and indicating how many are being covered in an acting capacity?

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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): Mr Speaker, the information is included in the schedule I am now handing over.

740 Just to comment, Mr Speaker, this was correct at the time of preparing the answer, which I think was about two to three weeks ago. There may have been interviews, but I think the position remains as is.

Answer to Q15/2019

VACANT TLR POSTS DUE TO PROMOTIONS

QUALIFIED TEACHER TLR 1B	Westside School	SCIENCE CO-ORDINATOR (RING-FENCED)
QUALIFIED TEACHER TLR 2B	Westside School	ASST TO KS3 COORDINATOR
QUALIFIED TEACHER TLR 2B	Westside School	ASST TO KS4 COORDINATOR
QUALIFIED TEACHER TLR 2B	ST PAUL'S FIRST	CORE SUBJECT LEADER ENGLISH
QUALIFIED TEACHER TLR 2C	ST BERNARD'S MIDDLE	FOUNDATION SUBJECT LEADER ICT
QUALIFIED TEACHER TLR 2C	HEBREW SCHOOL	ICT AND FOUNDATION SUBJECT
QUALIFIED TEACHER TLR 2B	HEBREW SCHOOL	CORE SUBJECT LEADER MATHEMATICS AND SCIENCE
QUALIFIED TEACHER TLR 1A2	Westside School	POST 16 CO-ORDINATOR
QUALIFIED TEACHER TLR 2B	GIBRALTAR COLLEGE	LANGUAGE CO-ORDINATOR ((CONTINUED & PROFESSIONAL COURSES SUPPORT)
QUALIFIED TEACHER TLR 2A	GOVERNOR'S MEADOW	CORE SUBJECT LEADER SCIENCE

VACANT TLR POSTS DUE TO RETIREMENTS

QUALIFIED TEACHER TLR 1B	GIBRALTAR COLLEGE	IT COORDINATOR
QUALIFIED TEACHER TLR 1B	WESTSIDE SCHOOL	DESIGN AND TECHNOLOGY COORDINATOR
QUALIFIED TEACHER TLR 2B	HEBREW SCHOOL	ENGLISH AND SENCO COORDINATOR
QUALIFIED TEACHER TLR 1B	BAYSIDE SCHOOL	HEAD OF YEAR (Designate)
QUALIFIED TEACHER TLR 2B	St MARY'S SCHOOL	CORE SUBJECT LEADER MATHEMATICS (Designate)

Mr Speaker: Next question.

Q16/2019

**Pupils leaving educational establishments –
Details re current academic year**

Clerk: Question 16. The Hon. E J Reyes.

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Hon. E J Reyes: Can the Minister for Education provide details of all pupils who have left an educational establishment falling under the auspices of the Department of Education since the start of this current academic year, providing details as follows: (a) date pupil left educational establishment; (b) school year in which pupil was enrolled; (c) name of educational establishment; and (d) reason, if known, why pupil left educational establishment?

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

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Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Speaker, once again, the information requested by the hon. Member is contained in the schedule that I now hand over.

Answer to Q16/2019

(A) No longer in any Government school

(a) Date Pupil left Educational Establishment	(b) School year in which pupil was enrolled	(c) Name of Educational Establishment	d) Reason, if known, why pupil left Educational Establishment
11/01/2019	9	Bayside	Left Gibraltar
14/09/2018	9	Bayside	Left Gibraltar
17/09/2018	13	Bayside	Other
05/10/2018	11	Bayside	Employment
10/10/2018	11	Bayside	Other
14/10/2018	10	Bayside	Employment
29/11/2018	13	Bayside	Left Gibraltar
07/01/2019	10	Bayside	Left Gibraltar
07/01/2019	10	Bayside	Left Gibraltar
18/01/2019	12	Bayside	Other
22/10/2018	Level 1	Gibraltar College Further Education	Poor Attendance asked to leave
24/10/2018	Level 1	Gibraltar College Further Education	Poor Attendance asked to leave
21/11/2018	Level 1	Gibraltar College Further Education	Poor Attendance asked to leave
26/11/2018	Level 1	Gibraltar College Further Education	Employment
30/11/2018	Level 1	Gibraltar College Further Education	Stopped attending
06/12/2018	Level 1	Gibraltar College Further Education	Stopped attending
07/12/2018	Level 1	Gibraltar College Further Education	Stopped attending
12/12/2018	Level 1	Gibraltar College Further Education	Poor Attendance asked to leave
26/11/2018	Level 2	Gibraltar College Further Education	Other
20/12/2018	Level 2	Gibraltar College Further Education	Poor Attendance asked to leave
09/01/2019	Level 2	Gibraltar College Further Education	Employment
15/01/2019	Level 2	Gibraltar College Further Education	Stopped attending
20/09/2018	Level 3	Gibraltar College Further Education	Employment
24/09/2018	Level 3	Gibraltar College Further Education	Employment
16/11/2018	Level 3	Gibraltar College Further Education	Employment
08/11/2018	Reception	Hebrew Primary School	Left Gibraltar
08/11/2018	5	Hebrew Primary School	Left Gibraltar
21/12/2018	2	Notre Dame First School	Other
12/10/2018	5	St Anne's Middle School	Other
21/12/2018	6	St Anne's Middle School	MOD - relocated
12/10/2018	5	St Anne's Middle School	Other
01/11/2018	2	St Bernard's First School	Left Gibraltar
13/11/2018	2	St Bernard's First School	Left Gibraltar
11/01/2019	2	St Bernard's First School	Left Gibraltar
21/12/2018	4	St Bernard's Middle School	Left Gibraltar
19/10/2018	3	St Joseph's First School	MOD - relocated
19/10/2018	6	St Joseph's Middle School	MOD - relocated
21/12/2018	5	St Joseph's Middle School	MOD-relocated
21/12/2018	5	St Joseph's Middle School	MOD - relocated
21/12/2018	2	St Mary's First School	Left Gibraltar
21/12/2018	Reception	St Mary's First School	Left Gibraltar
21/12/2018	1	St Mary's First School	Left Gibraltar
16/01/2019	13	Westside	Employment
05/11/2018	12	Westside	Employment
14/09/2018	11	Westside	Overseas School
25/01/2019	9	Westside	Overseas School
07/12/2018	9	Westside	Overseas School
17/10/2018	10	Westside	Overseas School
17/01/2019	13	Westside	Overseas School
21/12/2018	8	Westside	Overseas School
15/10/2018	8	Westside	Overseas School
17/10/2018	11	Westside	Stopped attending at 15
19/11/2018	11	Westside	Stopped attending at 15
19/11/2018	11	Westside	Stopped attending at 15

(B) Transfers during academic year

(a) Date Pupil left Educational Establishment	(b) School year in which pupil was enrolled	(c) Name of Educational Establishment	(d) Reason, if known, why pupil left Educational Establishment
14/09/2018	11	Westside	Changed school within Gibraltar
17/09/2018	Level 1	Gibraltar College of Further Education	Changed school within Gibraltar
19/09/2018	2	GMFS	Changed school within Gibraltar
24/09/2018	Level 3	Gibraltar College of Further Education	Changed school within Gibraltar
07/01/2019	Reception	St Paul's First School	Changed school within Gibraltar
02/10/2018	7	SAMS	Changed school within Gibraltar
05/10/2018	12	Westside	Changed school within Gibraltar
25/11/2018	5	SAMS	Changed school within Gibraltar
03/12/2018	5	SAMS	Changed school within Gibraltar
14/09/2018	13	Bayside	Changed school within Gibraltar
01/10/2018	9	Bayside	Changed school within Gibraltar
17/10/2018	11	Westside	Changed school within Gibraltar
25/09/2018	11	Westside	Changed school within Gibraltar
20/09/2018	12	Westside	Changed school within Gibraltar
14/09/2018	11	Westside	Changed school within Gibraltar

Q17/2019

**Students in further or higher education –
Numbers returning without completing course**

Clerk: Question 17. The Hon. E J Reyes.

760 **Hon. E J Reyes:** Mr Speaker, can the Minister for Education state the numbers and gender of those students who have returned to Gibraltar without fully completing their further or higher education studies, indicating the reasons why, together with details of the corresponding academic year in which the student left the course they were enrolled in, since 1st September 2017?

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

770 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):** Mr Speaker, the information requested is set out in the schedule that is being handed out at the same time as the previous one.

Answer to Q17/2019

No	Gender	Academic Year Withdrawn	Reason Provided
1	Female	17/18	Medical
2	Male	17/18	Medical
3	Male	17/18	Failed
4	Male	17/18	Medical
5	Male	17/18	Reason not provided
6	Female	17/18	Medical
7	Male	17/18	Failed
8	Female	17/18	Medical
9	Male	17/18	Medical
10	Female	17/18	Medical
11	Male	17/18	Medical
12	Female	17/18	Medical
13	Female	17/18	Wrong University
14	Female	17/18	Medical
15	Female	17/18	Reason not provided
16	Male	17/18	Reason not provided
17	Male	17/18	Medical
18	Female	17/18	Medical
19	Male	17/18	Reason not provided
20	Female	17/18	Reason not provided
21	Female	17/18	Medical
22	Male	17/18	Reason not provided
23	Female	17/18	Reason not provided
24	Female	17/18	Reason not provided
25	Male	17/18	Medical
26	Female	17/18	Suspended
27	Male	17/18	Medical
28	Female	17/18	Reason not provided
29	Female	17/18	Reason not provided
30	Male	17/18	Medical
31	Male	17/18	Reason not provided
32	Female	17/18	Reason not provided
33	Male	17/18	Reason not provided
34	Female	18/19	Medical
35	Male	18/19	Medical
36	Female	18/19	Wrong Course
37	Female	18/19	Reason not provided
38	Female	18/19	Medical
39	Male	18/19	Reason not provided
40	Female	18/19	Reason not provided
41	Male	18/19	Reason not provided
42	Female	18/19	Reason not provided
43	Female	18/19	Homesick
44	Male	18/19	Wrong Course
45	Female	18/19	Reason not provided
46	Male	18/19	Reason not provided

Q18/2019

**Students not completing courses –
Repayment of scholarships**

Clerk: Question 18. The Hon. E J Reyes.

775 **Hon. E J Reyes:** Can the Minister for Education provide details of repayments outstanding from pupils who have not completed any courses for which they were granted scholarships, indicating the dates from which such repayments are due?

780 **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 am handing over another schedule to the hon. Member, which contains the information requested.

785 All of these amounts are being repaid via instalment repayment agreements. Where repayments are not maintained they are chased by the central arrears unit that was re-established by this Government after it had been disbanded by the former GSD administration.

Answer to Q18/2019

Date of Debt		Amount Owed	DATE OF REPAYMENT DUE
1989/90	STUDENT 1	£788.99	Feb-06
1990/91	STUDENT 2	£164.00	Mar-16
1996/97	STUDENT 3	£1,426.59	Feb-19
1997/98	STUDENT 4	£1,614.80	Dec-10
1997/98	STUDENT 5	£881.60	Jan-19
1998/99	STUDENT 6	£1,926.00	Jun-19
1999/00	STUDENT 7	£750.39	Feb-19
1999/00	STUDENT 8	£2,356.61	Aug-17
2000/01	STUDENT 9	£5,790.20	Oct-03
2000/01	STUDENT 10	£8,807.81	Nov-05
2000/01	STUDENT 11	£2,049.60	Feb-19
2000/01	STUDENT 12	£60.00	Jan-11
2000/01	STUDENT 13	£3,362.59	Feb-19
2000/01	STUDENT 14	£4,157.03	Feb-19
2000/01	STUDENT 15	£2,560.40	Jul-03
2000/01	STUDENT 16	£674.26	Jul-06
2000/01	STUDENT 17	£6,007.40	Jan-01
2000/01	STUDENT 18	£9,568.18	May-06
2000/01	STUDENT 19	£532.80	Apr-10
2002/03	STUDENT 20	£5,532.81	Aug-18
2002/03	STUDENT 21	£823.80	Jul-09
2002/03	STUDENT 22	£1,782.41	Jan-03
2002/03	STUDENT 23	£2,873.69	Jan-12
2002/03	STUDENT 24	£1,573.80	Jan-16
2002/03	STUDENT 25	£593.13	Jan-03
2002/03	STUDENT 26	£2,760.19	Feb-19
2002/03	STUDENT 27	£3,943.14	Jan-19
2003/04	STUDENT 28	£2,315.33	Dec-04
2003/04	STUDENT 29	£11,540.82	Jan-04
2004/05	STUDENT 30	£203.49	Feb-19
2004/05	STUDENT 31	£4,211.41	Mar-10
2004/05	STUDENT 32	£70.00	Jul-11
2004/05	STUDENT 33	£2,391.41	Feb-19
2004/05	STUDENT 34	£4,472.41	Jan-05
2004/05	STUDENT 35	£678.72	Apr-18
2005/06	STUDENT 36	£2,147.41	Oct-18
2005/06	STUDENT 37	£8,411.33	Apr-06
2005/06	STUDENT 38	£918.07	Feb-19
2005/06	STUDENT 39	£5,149.40	Aug-12
2005/06	STUDENT 40	£4,937.41	Jan-06
2005/06	STUDENT 41	£3,554.41	Feb-19

2006/07	STUDENT	42	£2,130.73	Jan-07
2006/07	STUDENT	43	£961.68	Feb-19
2006/07	STUDENT	44	£1,492.40	Jan-19
2006/07	STUDENT	45	£5,526.60	Jul-08
2006/07	STUDENT	46	£4,097.40	Nov-09
2006/07	STUDENT	47	£3,437.06	May-12
2007/08	STUDENT	48	£3,335.39	Oct-17
2007/08	STUDENT	49	£2,674.54	Feb-19
2007/08	STUDENT	50	£1,510.37	Nov-18
2008/09	STUDENT	51	£453.57	Feb-19
2008/09	STUDENT	52	£4,247.26	Feb-19
2008/09	STUDENT	53	£7,113.81	04-Dec
2008/09	STUDENT	54	£208.57	Aug-17
2008/09	STUDENT	55	£1,524.79	Nov-13
2008/09	STUDENT	56	£5,613.14	Feb-19
2008/09	STUDENT	57	£3,774.17	Apr-10
2008/09	STUDENT	58	£2,993.60	Apr-16
2009/10	STUDENT	59	£4,341.80	Feb-19
2009/10	STUDENT	60	£107.20	Nov-18
2009/10	STUDENT	61	£3,382.46	Feb-19
2009/10	STUDENT	62	£2,032.06	Nov-18
2009/10	STUDENT	63	£2,660.24	Feb-19
2009/10	STUDENT	64	£244.59	Feb-19
2010/11	STUDENT	65	£626.88	Feb-19
2010/11	STUDENT	66	£938.40	Feb-19
2010/11	STUDENT	67	£5,496.86	Feb-19
2010/11	STUDENT	68	£4,381.20	Feb-19
2010/11	STUDENT	69	£322.80	Feb-19
2010/11	STUDENT	70	£7,252.81	Mar-15
2010/11	STUDENT	71	£2,794.79	Feb-19
2010/11	STUDENT	72	£2,190.14	Feb-19
2010/11	STUDENT	73	£2,488.60	Feb-19
2010/11	STUDENT	74	£1,614.27	Feb-19
2010/11	STUDENT	75	£620.06	May-15
2010/11	STUDENT	76	£1,914.26	Jan-19
2010/11	STUDENT	77	£4,233.41	Feb-19
2011/12	STUDENT	78	£5,790.81	Feb-19
2011/12	STUDENT	79	£2,200.00	Feb-19
2011/12	STUDENT	80	£2,465.81	Feb-19
2011/12	STUDENT	81	£6,780.80	Jan-19
2011/12	STUDENT	82	£4,478.81	Feb-19
2011/12	STUDENT	83	£7,336.41	Feb-19
2011/12	STUDENT	84	£4,130.81	Feb-19
2011/12	STUDENT	85	£6,151.80	Feb-19
2011/12	STUDENT	86	£9,269.80	Feb-19
2011/12	STUDENT	87	£4,679.79	Feb-19
2011/12	STUDENT	88	£5,192.10	Feb-19
2011/12	STUDENT	89	£8,999.66	Nov-18

2012/13	STUDENT	90	£3,710.00	Feb-19
2013/14	STUDENT	91	£7,178.93	Feb-19
2013/14	STUDENT	92	£7,685.29	Feb-19
2013/14	STUDENT	93	£1,075.00	Mar-18
2014/15	STUDENT	94	£7,673.81	Feb-19
2014/15	STUDENT	95	£3,748.55	Feb-19
2014/15	STUDENT	96	£8,598.80	Jun-18
2014/15	STUDENT	97	£2,885.30	Feb-19
2015/16	STUDENT	98	£1,600.95	Feb-19
2015/16	STUDENT	99	£2,209.80	Oct-16
2015/16	STUDENT	100	£556.80	Feb-19
2015/16	STUDENT	101	£1,734.39	Feb-19
2015/16	STUDENT	102	£13,092.80	Aug-17
2015/16	STUDENT	103	£4,013.82	Feb-19
2015/16	STUDENT	104	£9,655.80	Nov-18
2015/16	STUDENT	105	£2,023.20	Feb-19
2015/16	STUDENT	106	£4,292.79	Feb-19
2015/16	STUDENT	107	£5,915.81	May-15
2015/16	STUDENT	108	£12,217.80	Feb-19
2015/16	STUDENT	109	£15,135.40	Feb-19
2015/16	STUDENT	110	£3,165.80	Jan-16
2016/17	STUDENT	111	£275.20	Feb-19
2016/17	STUDENT	112	£4,480.83	Feb-19
2016/17	STUDENT	113	£14,870.20	Feb-19
2016/17	STUDENT	114	£2,472.16	Apr-18
2016/17	STUDENT	115	£39.00	Feb-19
2016/17	STUDENT	116	£313.00	Sep-17
2016/17	STUDENT	117	£250.00	Sep-16
2016/17	STUDENT	118	£1,798.00	Feb-19
2016/17	STUDENT	119	£843.80	Feb-19
2016/17	STUDENT	120	£8,676.60	Feb-19
2016/17	STUDENT	121	£2,125.00	Feb-19
2016/17	STUDENT	122	£11,989.80	Feb-19
2016/17	STUDENT	123	£13,540.00	Feb-19
2016/17	STUDENT	124	£11,725.41	Feb-19
2016/17	STUDENT	125	£1,698.00	Nov-18
2016/17	STUDENT	126	£703.00	Jun-17
2016/17	STUDENT	127	£4,115.80	Feb-19
2016/17	STUDENT	128	£8,027.60	Dec-18
2016/17	STUDENT	129	£1,599.00	Feb-19
2016/17	STUDENT	130	£2,485.00	Feb-19
2016/17	STUDENT	131	£168.56	Aug-18
2016/17	STUDENT	132	£13,896.80	Dec-16
2016/17	STUDENT	133	£15,613.80	Sep-16
2016/17	STUDENT	134	£1,230.00	Feb-19
2016/17	STUDENT	135	£605.67	Dec-18
2016/17	STUDENT	136	£14,264.80	Feb-19
2016/17	STUDENT	137	£2,241.80	Feb-19

2016/17	STUDENT	138	£2,650.00	Sep-18
2016/17	STUDENT	139	£4,155.17	Jan-19
2017/18	STUDENT	166	£1,350.00	Feb-19
2017/18	STUDENT	169	£309.06	Feb-19
2017/18	STUDENT	168	£1,650.00	Feb-19
2017/18	STUDENT	140	£893.80	Feb-19
2017/18	STUDENT	171	£16,185.80	Feb-19
2017/18	STUDENT	141	£12,581.80	Feb-19
2017/18	STUDENT	142	£7,920.60	Dec-18
2017/18	STUDENT	164	£600.00	Feb-19
2017/18	STUDENT	143	£5,704.80	Jan-19
2017/18	STUDENT	165	£3,343.00	Feb-19
2017/18	STUDENT	144	£16,159.80	Aug-17
2017/18	STUDENT	145	£14,425.80	Feb-19
2017/18	STUDENT	146	£2,880.00	Feb-19
2017/18	STUDENT	174	£260.60	Jun-18
2017/18	STUDENT	159	£15,780.40	Feb-18
2017/18	STUDENT	147	£2,855.00	Jan-18
2017/18	STUDENT	148	£546.00	Feb-19
2017/18	STUDENT	149	£2,298.12	Feb-19
2017/18	STUDENT	172	£5,800.00	Feb-19
2017/18	STUDENT	150	£1,987.80	Jun-18
2017/18	STUDENT	151	£9,149.80	May-17
2017/18	STUDENT	152	£4,934.00	Feb-19
2017/18	STUDENT	158	£5,740.00	Feb-19
2017/18	STUDENT	161	£14,668.80	Feb-19
2017/18	STUDENT	163	£1,222.00	Feb-19
2017/18	STUDENT	153	£7,866.40	Feb-19
2017/18	STUDENT	154	£4,276.30	Sep-18
2017/18	STUDENT	170	£1,650.00	Feb-19
2017/18	STUDENT	162	£295.12	Feb-19
2017/18	STUDENT	167	£12,279.40	Feb-19
2017/18	STUDENT	155	£2,067.30	Feb-19
2017/18	STUDENT	156	£15,765.80	Jan-18
2017/18	STUDENT	157	£15,314.80	Feb-19
2017/18	STUDENT	160	£3,636.69	May-18
2017/18	STUDENT	173	£1,430.00	Sep-18
2018/19	STUDENT	179	£17,038.20	Jan-19
2018/19	STUDENT	181	£990.00	Feb-19
2018/19	STUDENT	176	£5,365.80	Apr-18
2018/19	STUDENT	175	£12,079.40	Jan-19
2018/19	STUDENT	178	£15,989.80	Feb-19
2018/19	STUDENT	180	£15,864.80	Feb-19
2018/19	STUDENT	177	£1,480.00	Oct-18

Q19/2019

**School facilities available for community use –
Nature of use and charges**

Mr Speaker: Question 19.

790 **Clerk:** Question 19. The Hon. E J Reyes.

Hon. E J Reyes: Can Government provide details as to which facilities pertaining to the Ministry for Education are currently available for community use after school hours, indicating what these uses are and if any payments are made for usage?

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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):

800 Mr Speaker, I am handing over another schedule to the hon. Member, which contains the information on the school facilities currently available and the uses.

School facilities which are hired out to commercial groups such as fitness classes are charged at the following rates: Bayside School sports hall, £40 per hour; St Bernard's School sports hall, £40 per hour; Governor's Meadow School sports hall, £20 per hour; Bishop Fitzgerald School sports hall, £15 per hour.

805

The administration of community-use facilities and fee collection is undertaken by the Gibraltar Sports and Leisure Authority. As a result of a policy decision taken by this GSLP-Liberal Government, the GSLA will not allocate use unless prospective applicants present valid documents pertaining to tax and company registration as well as relevant paperwork regarding child protection policies and qualifications and RGP vetting.

810

Answer to Question 19

	MONDAY			TUESDAY			WEDNESDAY			THURSDAY			FRIDAY		
WESTSIDE SCHOOL (INDOOR)	6-8pm Cricket	8-11pm Table Tennis		6-11pm Badminton			6-8pm Table Tennis	8-11pm Cricket		6-8pm Cricket	8-11pm Volleyball		6-8pm Cricket	8-11pm Table Tennis	
WESTSIDE SCHOOL (OUTDOOR)	6-7.30pm GFA	7.30-9pm Football	9-10.30pm Football	6-7.30pm Football	7.30-9pm Football	9-10.30pm Football	6-7.30pm Football	7.30-9pm Football	9-10.30pm Football	6-7.30pm Football	7.30-9pm Football	9-10.30pm Football	6-7.30pm Football	7.30-9pm Football	9-10.30pm Football
BAYSIDE (INDOOR)	6-8pm Gib Referees Asst	8-9pm Gib Referees Asst		6-8pm Fitness	8-11pm Karate		6-8pm Fitness	8-9.30pm Dance		6-8pm Fitness	8-9.30pm Dance		6-8pm Basketball		
BAYSIDE DRMA STUDIO (Used only by Ministry of Culture)	6-10pm Performing Arts			6-10pm Performing Arts			6-10pm Dance			6-10pm Performing Arts					
ST JOSEPH'S MIDDLE	6-11pm Badminton			6-11pm Netball			6-11pm Netball			6-11pm Netball			6-9pm Badminton		
ST JOSEPH'S FIRST	6-9pm Badminton			6-9pm Dance			6-9pm Rhythmic Gym			6-9pm Rhythmic Gym			6-9pm Badminton		
ST BERNARD'S	6-7pm Fitness	7-8pm GKKA	8-9pm	6-7pm Fitness	7-9pm Basketball		6-9pm Martial Arts			6-7.30pm Karate	7.30-9pm Basketball		6-9pm Dance		
ST ANNE'S MIDDLE	6-10.30pm Netball			6-8.30pm Gymnastics	9-10.30pm Netball		6-11pm Badminton			6-11pm Basketball			6-11pm Basketball		
GOVERNOR'S MEADOW	6-7pm Fitness	7-9pm Karate		6-7pm Fitness	7-8pm Fitness		6-7pm Fitness	7-8pm Fitness			7-8pm Fitness				
BISHOP FITZGERALD	6-8pm Fitness	8-10pm Martial Arts		6-7pm Fitness	7-8pm Fitness		6-10pm Martial Arts			6-7pm Fitness	7-8pm Fitness		6-10pm Martial Arts		

Hon. E J Reyes: A small clarification at this first stage, before I look further into the schedule: when the Minister in his answer said that these fees are payable and collected by the Gibraltar Sports and Leisure Authority, would that figure of total revenue collected be expected to be found by me in the schedule that I got from the Minister for Sport in answer to Questions 1 and 2, or does it come under another heading, not accounted for by the GSLA? Otherwise, I do not know where to look for the fees income.

Hon. Dr J E Cortes: Mr Speaker, I would assume they are, because I do not think – subject to confirmation from officials – they appear in the Department of Education’s figures because, as I say, the fees are collected by the GSLA. We provide the premises but we do not carry out the collection of fees.

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

Hon. E J Phillips: Thank you, Mr Speaker.

In relation to Question 17, the answer to that provides a schedule of 46 students over the last two years who have unfortunately been unable to complete their studies in the United Kingdom for a variety of reasons – medical, homesickness, suspension or reasons not provided. Can the Minister enlighten us as to...? Although it is very difficult to say what these students are doing now, is there a process by which these students are interviewed upon return and the Government or the Department of Education ascertains what can be done for them in the future in terms of providing opportunity for them in either education or at least in employment?

Hon. Dr J E Cortes: Yes, Mr Speaker, the students are given the opportunity to do that. They are not all comfortable and they do not all take up the opportunity. In some cases there may be very personal reasons which they do not want to share even when the opportunity is given, but those students who are willing to share will be advised and they will be assisted. In some cases they are able to undertake a course a year later, sometimes even two years later, and every effort is made to encourage them along the way. But, as I say, some students are not willing to discuss this.

Hon. E J Phillips: I am grateful for the Minister’s confirmation in relation to that point.

I would have thought that some form of exit interview is conducted for these 46 students. It does seem a fairly high figure of students returning over the last two years, for whatever reason they have been unsuccessful in their studies in the United Kingdom or beyond, and therefore I would ask the Minister if he could give a bit more information as to the process involved in terms of that exit interview or equivalent and as to where they are directed for assistance insofar as further education opportunities or at least employment. I know I have not given notice, but it sort of arises from this supplementary question and the question put by my hon. Friend Mr Reyes. It would be helpful to have a bit more information as to how the Department is structured to provide that level of support for young people who have been unsuccessful.

Hon. Dr J E Cortes: Yes, Mr Speaker, obviously with notice of this question I could provide more details, but from my own experience they are approached by the relevant adviser and they are given the opportunity.

Remember, Mr Speaker, that in some cases there is a need to recover funds and there is a method of obtaining the information. For example, if it is a medical reason there have to be medical certificates or medical reports. So there is an interview and a discussion as to whether it is a simple process of them failing or some other reason and we have to look at the recovery of funds, whether they need more time, whether they need mental health advice ... One of the things that we are doing with the new counselling system that we will be starting within the next

few months will be to provide opportunities for students in tertiary education to avail themselves of counselling. So there is a structure but no two cases are the same.

865 **Hon. E J Phillips:** Just one further question in relation to Question 18. I have noted from the very useful schedule – to the extent that it sets out the numbers of students that have returned, since 1989, in fact, and the more critical ones for the purposes of this question relate to those after 2011, where it appears to be a fairly exponential growth in the number of students owing money in relation to failed studies or unsuccessful studies in the United Kingdom – it would
870 seem there are many hundreds of thousands of pounds that are due back to the Government, and in many cases those payments have not been made. I assume, for the purposes of this data that has been put before the House, that this would exclude genuine cases, medical cases, where quite clearly they were unable to undertake their studies for those reasons. But what attempts are made to genuinely recoup the moneys that are paid? Are payment arrangements
875 being made with the students – monthly payments, weekly payments, yearly payments? It would seem like an awful lot of money, many hundreds of thousand pounds that are owed by students over the years.

Hon. Dr J E Cortes: Yes, Mr Speaker, one would expect that there are more of these cases
880 which are recent than older because the older ones would have been paid off and would have dropped off the end, so it is not unusual to have more that are recent debts.

In order to expand further in response to the hon. Member's question, yes, once again, as I explained, there are no two cases the same. If they are genuine medical cases which have gone through the process and have been checked and ratified, then they would not feature here
885 because that is not considered a debt and it is not pursued. But there are meetings with students – often with the parents, clearly, for obvious reasons – in order to set up a payment programme and, depending on the individual circumstances, there will be periodic payments. I am assuming they are monthly because that is the logical method. Obviously there is opportunity for lump-sum and one-off payments if that is more convenient. If they are
890 longstanding and there is no response or they fail to deliver on the regular payments, then the central arrears unit kicks in and approaches it with their own methodology.

Hon. E J Phillips: I move on to the questioning in relation to 18 and 17 because they both relate to the same thing. If the Minister cannot answer this question, I appreciate this, but it is
895 linked, in my view.

What steps is the Government taking in relation to a more targeted career progression path, because many of the problems associated with recouping money from students who have failed or been unsuccessful in their courses could quite properly be managed – certainly in my view, and I would welcome any views that the Minister would have in relation to this – by ensuring
900 that students, when they come to a career review at the end of their qualifications in Gibraltar in terms of either GCSEs or A-levels ... if we direct our students who feel that university life or an education beyond our shores is not for them, what we can do in our jurisdiction to make sure we give them the best possible opportunity educationally and for employment opportunities, rather than deal with the problem so many years later when many hundreds of thousands of pounds is
905 owing to the Department of Education and in reality becomes very difficult to recover once they return to Gibraltar?

Hon. Dr J E Cortes: Some individual cases have proved difficult to recover, but overall people do pay back – I have to make that comment.

910 This is pretty wide. Clearly there will always be students for whom, no matter how well prepared they are, there will be circumstances when they will give up. Most of us here – I think all of us here – have been students and we know what the tensions are and we have all had friends who have had difficulties. It is never ever not going to happen; there will be cases.

I think there is a lot that can be done. We are increasing our mental health input and, as I said before, the counsellor system and the review that we are doing on mental health – which started with the secondary sector, now it has covered the primary sector and now it is doing the tertiary sector – will feed back on what we can do to help to prepare young people even if they currently do not have mental health issues but faced with a life abroad at university they could develop them. So that is being done.

But I think also that what we are doing to widen the education opportunities in vocational courses means that there will be a wider range, so that young people will be able to select courses which perhaps they are not able to select now, and now they may be channelled towards perhaps the more academic courses, whereas they might prefer or be better prepared for more vocational courses which are not currently available. I think the wider the range of opportunities we give to young people the less likely this is going to happen. So I think those are the two main strands that we are dealing with now.

Hon. E J Reyes: Mr Speaker, may I come back to something on the schedule?

Mr Speaker: Question?

Hon. E J Reyes: Question 15. The Minister has given me a nice schedule. It shows the school where the vacancy is, it tells me what the TLR band is and it even gives me the title of the corresponding responsibility, but I do not quite understand – when it gets to the second half of the schedule it says ‘Vacant TLR posts due to retirements’ and then it says ‘Head of Year (Designate)’. If all these posts are being covered in an acting capacity, a designate person does not make sense. If he is designated ... He is either covering it or not covering it. I do not know – perhaps the Minister can explain that one to me. Or am I misreading it?

For example, if we take the first one, the one vacant due to retirement, the qualified teacher will be TLR 1B at Gibraltar College, corresponding to an ‘IT Coordinator’. So, my understanding is that is being covered on a temporary basis by somebody but it is still a vacant post. When you come to the last two, ‘Qualified Teacher TLR 1B’ at Bayside School, ‘Head of Year (Designate)’, is it being covered by someone who is now substantially the head of year? I do not understand why the designate does not clarify it, it complicates matters.

Hon. Dr J E Cortes: Mr Speaker, I would rather check that than try and tell the hon. Member without quite recalling who the individuals who hold these posts are. I need to check whether the fact is that somebody is covering it as designate but technically the person may not yet have retired and there is a designated in place. I would rather not guess and I will get this information either this afternoon or next time we are here, like I did last time when there was a similar query, and I will reply here so that he has the full information – if that is acceptable.

Hon. E J Reyes: Yes, Mr Speaker, that of course is acceptable because at the end of the day we are both interested in making sure we have the correct information.

Can I now move to the following question, Question 16. On the schedule, if we look at the answers here, the reasons why they have left are very simple. Either they have left Gibraltar, they have found employment ... I can understand the third one down – it says a pupil from school year 13 left ‘for other reasons’. Well, look, he is past compulsory school age. But two thirds of the way down I do not quite understand how pupils from year 2 and year 5 are not in school ‘for other reasons’. He seems to have covered them all by saying it is MoD relocated or they have left Gibraltar, but there cannot be any other reason because by law the pupil must be registered in an educational establishment, so that ‘other’ is a bit too vague for someone of compulsory school age.

965 **Hon. Dr J E Cortes:** No, Mr Speaker, that is there for a reason. In a place the size of Gibraltar, when we give figures and we name the school, if you really wanted to you could drill down and find out who the child is, and in some circumstances there are safeguarding reasons which I cannot divulge here. I would be happy to share them outside the Chamber with the hon. Member, but there are a number of circumstances where I think it would not be fair on the child to give the reasons in public.

Hon. E J Reyes: That is acceptable, Mr Speaker.

Is it something similar as well on the second page, on the second part of his answer, under subheading (b), where the Minister puts 'Transfers'? Is the Minister committed that we can talk behind the Speaker's Chair and therefore not waste the rest of the Members' time on this one?

Hon. Dr J E Cortes: Yes, Mr Speaker, the reasons why children change schools could be sensitive and therefore, again, because Gibraltar is small and you could pin it down to child, teacher and so on, it is something that I do not think I can share openly, but I would be very happy to discuss with the hon. Member behind your Chair.

**Q20-22/2019
Q126/2018 –
Request for update**

Clerk: Question 20. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, further to Question 126/2018, can the Government state whether it intends to bring a Bill before the House in respect of controlling and coercive behaviour?

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 Questions 21 and 22.

Clerk: Question 21. The Hon. E J Phillips.

Hon. E J Phillips: Further to Question 126/2018, can the Government state the composition of the National Strategy Working Group and the number of meetings held in 2018?

Clerk: Question 22. The Hon. E J Phillips.

Hon. E J Phillips: Further to Question 126/2018, can the Government state whether it has finalised its five-year plan for Gibraltar and state when it will publish its strategy?

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

Hon. Dr J E Cortes: Mr Speaker, Question 126/2018 does not relate to any of the matters raised in Questions 20, 21 and 22 and therefore these questions cannot be answered by the Government in any coherent manner as presently drafted.

1010 **Hon. E J Phillips:** I am not too sure what my hon. Friend is referring to, but the question that was posed related to a question about domestic violence, coercive and controlling behaviour. And I was quite surprised that the hon. Gentleman got to his feet; I was expecting the hon. Lady to get to her feet to answer these questions.

1015 I am not too sure if there has been a typographical error in the question when it has been transmitted to the Government. I do not know who is to blame – if it is me, I am sorry. If it is not, then I would expect at least an explanation as to the national strategy relating to domestic violence, and whether someone could have sifted through it more easily ... But it is what it is, and if I could have an explanation as to ...?

1020 **Hon. Dr J E Cortes:** Mr Speaker, my team looked at Question 126 and it came to me because Question 126, I believe – it was definitely Education – related to some aspect of the schools, and I certainly could not relate it to the questions as asked. It may be that it was the wrong number of questions.

1025 **Hon. E J Phillips:** I am quite happy – with your leave, Mr Speaker – to ask these questions again. I think it has been debated quite frequently in the public domain in relation to domestic abuse and coercive and controlling behaviour.

1030 I know that the Hon. the Minister for Equality has answered the questions before. I know that she is entering the Chamber now but may not be in a position to update this House in relation to that particular question. If she is not, then I am happy to forward these questions to the next session.

1035 **Chief Minister (Hon. F R Picardo):** Mr Speaker, my office looked at this question on a number of occasions and the answer that we have given is the one the hon. Gentleman has given because the question that was referred to in the question related to education. Therefore, the answer that pertained was the one that the Hon. Minister has given.

1040 It was impossible from the face of the question to imagine that this might have anything to do with abuse. If the hon. Gentleman does the exercise objectively and he reads his question he will see that we would have had to be mind readers to think that he was asking about anything other than education; and if he does the exercise with Question 126 in front of him, then it becomes clearer.

1045 **Hon. E J Phillips:** Mr Speaker, just a final point. I am glad the Chief Minister jumps up and defends the position, but it is quite clear that I asked a question last time round about coercive and controlling behaviour. Everyone on the planet, including the BBC, who effectively wrote about controlling behaviour and the recent events that happened last week in relation to a poor young man and his incident ... The Minister for Equality knows exactly what controlling and coercive behaviour is because she answered the question before.

1050 If there has been an error in the drafting of the question itself and *if* it is my fault, of course I will apologise and we can deal with it the next time we come to the House.

Mr Speaker: Can you suggest what the best procedure should be?

1055 **Hon. Chief Minister:** If I might, the hon. Gentleman needs to understand what his questions say.

1060 I have not got up to defend a position, because there is no position to defend. Mr Speaker, the reason I am giving the hon. Gentleman this explanation is because questions come for allocation to the Parliamentary Questions Office in No. 6 Convent Place and then they come to me, and if the hon. Gentleman looks at his questions – they are Questions 20, 21 and 22 – they all relate, as written by him, to Question 126/2018, which is a question about education.

The words 'controlling and coercive behaviour' appear in one of the questions but in none of the others and they make no sense in the context of 2018. That is the reality. If he looks at this objectively, that is the situation. If he has made an error in respect of the question he refers to, Question 126, that is fine – we are all human, that is no difficulty. If he puts them again, we will deal with them when he puts them.

Mr Speaker: What I suggest for the Leader of the Opposition is that he tables the questions again for the next meeting and he indicates to me separately which are the questions that are involved. If he has got 10 or 11 questions, mark for the use of the Clerk and myself clearly which are the ones that you are submitting in respect of this matter. Okay?

Q23-27/2019
Waste disposal –
Recycling

Clerk: Question 23. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What volume of the waste that goes to Spain (1) is successfully recycled and (2) ends up in landfill?

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 Questions 24 to 27.

Clerk: Question 24. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Does the Government or the Department of the Environment have regular contact with its local contractors to periodically ensure that they are abiding by their contractual obligations with regard to recycling?

Clerk: Question 25. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Do the rubbish collectors working for the Environment Department mix or keep separate the different recycling materials previously deposited in their respective specific bins when dumping these materials in the truck on collection?

Clerk: Question 26. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Can Government explain the criteria used in determining whether recycling material is contaminated?

Clerk: Question 27. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Can Government explain who makes the judgement call vis-à-vis determining whether recycling material is contaminated or even recyclable?

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

Hon. Dr J E Cortes: Mr Speaker, the figures for 2017 were: total recyclate, 38,200.57 tonnes; landfill, 1,054.43 tonnes; and other recovery operations, 0.77 tonnes.

The Department of the Environment, in particular its Cleansing section, has very regular contact with all relevant contractors to ensure that they are abiding by their contractual obligations.

The refuse collectors who come under the remit of the Department of the Environment do not collect from the recycling bins. This is done by a private company, through a contract with Government.

The criteria used to assess whether recycling material is contaminated is by means of visual inspection. The coloured bins are never to be mixed on the collecting truck. The collection rounds focus on one colour of bins at a time and therefore one type of recyclate.

Even when the material is contaminated, this is taken to the Ecopark, where the loads are emptied. The protocol at the Ecopark when contaminated recyclate is received is to recover as much material as possible in order to maximise the recycling rates. Any unrecoverable material is then sent to the waste transfer station.

Hon. Ms M D Hassan Nahon: Mr Speaker, given that there were five answers so quickly, could I have a couple of minutes to evaluate whether I need to ask any supplementaries, please?

TOURISM, EMPLOYMENT, COMMERCIAL AVIATION AND THE PORT

Q28/2019

University of Gibraltar – Accredited PGCE courses

Clerk: Question 28. The Hon. E J Reyes.

Hon. E J Reyes: Can the Minister for Education update this House in respect of the possibility being pursued to offer accredited PGCE courses in conjunction with the University of Gibraltar?

Clerk: Answer, 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 University of Gibraltar is currently working with Kingston University and the Department of Education to provide a bespoke PGCE course. It is expected that this will be provided as of September 2019.

Hon. E J Reyes: I thank the Minister. I had posed it to the Minister for Education because I was not quite sure whether Minister Licudi was answerable for matters pertaining to the University in this House, or not.

I am very pleased with the news. Can I underline there ...? The Minister has said they are working with Kingston University and so on. Would that end with what I was trying to highlight – accredited PGCE courses whereby it would be recognised in the United Kingdom and the teacher who qualifies for the PGCE will actually be given a teacher number in the UK without having to undergo further UK examinations?

Hon. G H Licudi: Firstly, Mr Speaker, with regard to the reference to 'Minister for Education', I would simply remind the hon. Member that I am the Minister for Education for the purposes of the University. That is how the designation has been made, so it is correctly addressed and correctly answered.

This is a course that will be offered and accredited by the University of Gibraltar itself. The Hon. Member will recall that under the University of Gibraltar Act the University has powers to grant degrees and to accredit any courses, and this is, as I mentioned in the answer, a bespoke PGCE course, working with Kingston University, who are in fact designing the course for the University of Gibraltar, but it will be delivered and it will be a University of Gibraltar qualification in respect of the PGCE, which will entitle that person to act as a teacher.

The reason why it is bespoke is because this is probably going to be very different – well, not very different but somewhat different – to PGCE courses that are offered in the United Kingdom. The hon. Member will know, having gone through this system – will certainly know better than myself, and I speak as a layman here from the educational perspective – that PGCE courses are generally geared at training individuals either for primary schools or for secondary schools and the placements that are made are either primary or secondary. In Gibraltar we will not have different courses for different specialisations, whether it is primary or secondary education, so it will be a generic teaching course whereby experience will be given in the different schools at different levels, and that is why it is a bespoke course for Gibraltar, offered and delivered by the University of Gibraltar with a University of Gibraltar qualification at the end of the day.

Hon. E J Reyes: I am grateful for that explanation, but the Minister I think has not quite fully answered that particular part, I was going to say. Upon successful completion of the PGCE that one undergoes in the UK, those of us who did it there end up being given automatically a number issued by the Department of Education in the United Kingdom. When you apply for a teaching job it is essential that you have that number. You have got to give it, your actual registration. Will an individual who completes that PGCE course here in Gibraltar automatically get a number that will then automatically entitle them to apply for jobs in the United Kingdom?

Mr Speaker: What I think he is asking is: will the qualification be recognised in the UK?

Hon. G H Licudi: Mr Speaker, that is slightly different from someone doing a course and automatically being given a number by the Department of Education in the UK. For example, somebody might do a course in Spain or somewhere else and have that qualification recognised in the United Kingdom.

Certainly as far as we are concerned, as far as the University is concerned, the University is working hard to have all of its qualifications internationally recognised and they are working specifically with the United Kingdom. I understand there is a body called NARIC that is a centre for the recognition of international qualifications.

This will not be an English qualification. It will be, certainly from a UK perspective, an international qualification which we expect and we hope – because we have all necessary regulatory standards, quality assurance and auditing being done in respect of all the courses – will be recognised in the United Kingdom. But first we have to complete the course; secondly, it has to be submitted for recognition and we hope that at the end of the day the relevant bodies in the United Kingdom will recognise these professional qualifications in the same way as other professional qualifications are recognised in the United Kingdom, not just in relation to teaching but in respect of other professions from across the EU and perhaps wider afield.

Mr Speaker: The Hon. Marlene Hassan Nahon, do you wish to ask a question on this supplementary?

Hon. Ms M D Hassan Nahon: Pertaining to my Environment question.

Mr Speaker: On the environment. Well, we will come back to it when we have dealt with this. Yes, the Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, whilst I am grateful for the Minister for Education's answer to that specific question by my hon. Friend, and whilst I appreciate of course that a bespoke course to combine PGCE at primary and secondary level may well suit us in Gibraltar naturally in some respects – and I am not a teacher myself but it would seem recommendable, given in the UK the distinction between primary and secondary education for the purpose of PGCE, and I see the logic of the argument that we should try to have a course in the Gibraltar University to cater for that – insofar as the marketing of this PGCE and encouraging people to do this course, have the students been particularly told that at this stage this qualification is not recognisable in the United Kingdom and that it may well be in the future, depending on that recognition process that the Minister has alluded to?

Many of the students who may wish to apply for this type of bespoke course may wish also to use that qualification for teaching further afield. We cannot discount the fact that not everyone will want to use it to work in Gibraltar itself. I understand the fact that the Minister may well be marketing this particular course further afield as well to improve the prospects of the University as well in terms of educating individuals who may wish to come to our shores to learn, and therefore are those students being informed that that recognition is not currently available further afield than Gibraltar?

Hon. G H Licudi: Mr Speaker, the course has not gone out yet and therefore we do not have students for the course. The University is working on the course with Kingston University and the Department of Education, and once the course is ready and the course is available then there will be presumably an advert for people to be able to enrol on the course.

So it is not a question of a course not being recognisable. The course still does not exist. It is being worked on and if we expect that it will be ready for delivery in September 2019, once the course exists and is subject to all the necessary quality assurance audits then we hope that the relevant body in the United Kingdom – and there is this body I mentioned, NARIC, which is a centre for the recognition of international qualifications that acts on behalf of the UK government in that respect and I know that the University is already liaising with NARIC ... we hope and expect that this will be a qualification which will be recognised.

In respect of the marketing of the course, it is not something that we are doing as a Government; this is something ... Of course we always assist the University, but it is primarily a University matter. We clearly want to cater for local students who want to do a PGCE, and there has been, I know, already a great deal of interest from people – not necessarily from people who want to go off in the first instance to do an education qualification, but somebody who is already here or already working, who wants to consider this as an adjunct to whatever qualification they have and perhaps go into the teaching qualification.

In due course, and I expect probably not for this year, this is a course that will, as with every other course that the University will do, be marketed with a view to attracting international students, and there may be a mix. But there is a qualification that has to be added to that – in the same way as it would apply to, for example, the nursing degrees that are done now by the School of Health Services in conjunction with the University of Gibraltar; they are working very closely together on this – and that is the question of placements.

As with the nursing degree, any course leading to a PGCE depends on placements. It is not as if we have unlimited schools and unlimited placements, so we cannot open up the course and say we are going to have 100-200 people on this course. It will be limited by placements. We have 17 schools in Gibraltar. I believe – and I am speaking from memory from the discussions I have had – that placements will probably be limited by the Department of Education. It depends on their capability but I believe that we are talking of a figure of around 15 a year as the placements that would be available, so that those are the intrinsic limits that will be placed on this course.

I can also say to the hon. Gentleman that even though this course has not been finalised or marketed yet, there is already an incredible amount of interest that has been expressed. There

1255 are 50, 60, 70 people who have already expressed an interest in coming onto this course. Not everybody will be able to be accommodated, because of the placements issue that I have mentioned, but this course is already proving to be popular even though it has not been marketed yet.

1260 **Mr Speaker:** The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, a few supplementaries, if I may.

1265 Regarding Question 23, the Minister said, I believe I recall, a total of 38,500 tonnes is successfully recycled and 40,000-odd tonnes ends up in landfill. Would the Minister say that this is a good statistic in general terms of the rate of recycling versus non-recycling? Is it on par with other countries? Or is there more that we need to do, that we are lagging behind on that front?

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

1270 Mr Speaker, I do not have comparative figures here, although I do use some regularly in my Budget speeches and I believe we are about to publish the statistic for 2017 which I think shows comparative rates.

Our recycling is increasing, has increased tremendously in the last seven years, but is still not at the level that it is in other jurisdictions or the level that I would like it to be.

1275 **Hon. Ms M D Hassan Nahon:** Thank you for that. Just another couple of questions.

Can the Minister clarify that if a single bin is found to be contaminated on collection, does that mean that the bin will contaminate the collection of the whole round?

1280 **Hon. Dr J E Cortes:** Mr Speaker, it depends on the operator and the amount of contamination. If it is a bin of glass which has one plastic bag or something else, then that will be put in with all the rest of the glass and then at the depot this will be removed. If the bin is very contaminated, then that will be collected separately and it will not be added to the other bins.

1285 The attempt is to reduce the contamination as much as possible. I am told by the operator that it is very rare that they have to just give up and put it all for disposal at the waste transfer site, but sadly some people will still put the wrong kind of rubbish in recycling bins and that obviously compromises the operation.

1290 **Hon. Ms M D Hassan Nahon:** Regarding Question 25 about whether the rubbish is kept separate or mixed, the hon. Gentleman will probably be aware that a lot of talk is done, especially on social media groups, that they are mixed. Even if we take his word that they are not, can I ask why perhaps these rumours come about? Could there have been some kind of wrong processes being managed, or different practices in the past? Unfortunately, I think it sends out a bad message in terms of our duties to recycle.

1295 **Hon. Dr J E Cortes:** Mr Speaker, I am as concerned as the hon. Lady about this. Ever since I took ministerial responsibility I have heard these rumours – sometimes it is placed on Facebook – about the mixing of bins by the operator collecting the bins. They say it comes over here, picks up the glass and then it just goes to the next one, which is plastic or cardboard, and put all together.

1300 Mr Speaker, I have dealt with this with the previous contractors, Master Service, and with the current contractor, Britannia. They tell me that it has never happened. I have yet to see physical evidence, even in video form. There was a recent one in social media, which I think was later retracted, in which there was a photograph of one of these trucks collecting from one of the bins, but there was not a video which showed that they went to the next one.

1305 I have even, I must admit, on occasions when I have been next to a recycling area and the truck has been there, hidden behind a lamp post almost, just to check for myself because I hear

so many rumours, but I still have not seen the evidence. I find it difficult to hide behind a lamp post, yes. My colleagues were smiling when I said that, (*Laughter*) but I am working on it, Mr Speaker, with some success, if I may say.

1310 I have not seen the evidence that everybody there says this is happening. If anybody has the evidence, I want to see it. The contactor knows very well that we will not go light on it because it is a concern; it must not happen. But I have never seen concrete evidence.

Mr Speaker: Next question.

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DEPUTY CHIEF MINISTER

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Q29/2019 Nuffield Pool site – Current plans

Clerk: Question 29. The Hon. R M Clinton.

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Hon. R M Clinton: Can the Government advise its current plans for the Nuffield Pool site?

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

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Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, the Nuffield Pool will be used as the venue for beach volleyball during the Island Games later this year.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer. Can he advise if there are further plans beyond beach volleyball once the Island Games are over? Are there plans for the site to be developed?

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Hon. Deputy Chief Minister: Mr Speaker, when we came into Government in 2011 the site had been identified as a site for development by them when they were in office. We have explored different options, including that one, but we have not come to a final decision as yet. As you know, there is a commitment to a public pool in that area, which is our position at the moment.

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Q30/2019 No-deal Brexit contingency plans – Costs; movement of phytosanitary and animal origin food imports; movement of waste materials; health and care sector workforce and supplies; Frontier fluidity

Clerk: Question 30. The Hon. R M Clinton.

Hon. R M Clinton: Can the Government advise the costs incurred to date in respect of Brexit contingency plans in respect of a no-deal Brexit?

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

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I will answer this question together with Question 31-39.

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Clerk: Question 31. The Hon. R M Clinton.

Hon. R M Clinton: Can the Government advise what monetary contingency funds have been set aside in order to meet further expected costs of a no-deal Brexit?

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Clerk: Question 32. The Hon. T N Hammond.

Hon. T N Hammond: Mr Speaker, what measures are in place to ensure the continued movement of foods of animal origin or phytosanitary imports into Gibraltar after Brexit, in the event of a withdrawal without agreement?

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Clerk: Question 33. The Hon. T N Hammond.

Hon. T N Hammond: In the event of a withdrawal from the EU without an agreement, can Government say if foods of animal origin or phytosanitary products exported from the UK to Gibraltar, which must transit through EU countries, will be affected; and if not, can they explain the rationale for this?

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Clerk: Question 34. The Hon. T N Hammond.

Hon. T N Hammond: In the event of a withdrawal from the EU without agreement, does Government know whether La Linea is being established as a border inspection post or border control post under Regulation (EC) No. 2017/625 as a subsidiary of Algeciras or in its own right for purposes of the entry and exit of foods of animal origin or phytosanitary products from the EU?

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Clerk: Question 35. The Hon. T N Hammond.

Hon. T N Hammond: Mr Speaker, what measures are in place to ensure the continued passage of waste material out of Gibraltar after Brexit in the event of a withdrawal without agreement?

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Clerk: Question 36. The Hon. T N Hammond.

Hon. T N Hammond: For purposes of waste disposal, in the event of a withdrawal from the EU without agreement, does Government know if La Linea has been designated as an entry point into the EU for receipt of waste from Gibraltar?

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Clerk: Question 37. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, what contingency plans does the Government have to ensure Gibraltar's health and care sector remains unaffected in the case of a no-deal Brexit, including workforce and medicinal supplies?

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Clerk: Question 38. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state what contingencies are in place for children being educated at our schools who are crossing the border each day, in the event that Gibraltar is faced with a hard Brexit on 29th March?

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Clerk: Question 39. The Hon. E J Phillips.

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Hon. E J Phillips: Can the Government confirm that it has anticipated all practical consequences of a UK/Gibraltar withdrawal from the EU without agreement, and specifically can the Government confirm what contingencies are in place to counter restrictions on Frontier fluidity?

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

Hon. Deputy Chief Minister: Mr Speaker, the hon. Members will understand that for obvious reasons the Government is reluctant to discuss Brexit contingency planning across the floor of the House. However, the Government is happy to brief the hon. Members on a confidential basis – and that briefing actually took place this morning after the answer to the questions had been drafted.

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

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Hon. E J Phillips: Mr Speaker, whilst I am grateful for the Deputy Chief Minister's answer to that question, and of course the Brexit Select Committee were convened this morning for some three hours, as far as I understand from the conversation that I have had, the Deputy Chief Minister will understand, of course, that significant guidance has been afforded in the United Kingdom to businesses in relation to their processes and procedures, particularly in respect of the UK border. He will also know that very significant technical notes have been produced to advise citizens and businesses across the United Kingdom relating to a no-deal Brexit and preparations. I believe, as far as I understand from the UK government's website itself, those communications and publishing of over 100 pages of guidance were delivered in August, September and October of last year.

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The Gibraltar Government of course has usefully provided certain guidance, in respect of its press releases of 13th September and beyond to last week, on passports, pet passports, driving in the EU, ID cards, mobile roaming, EU domain, e-HIC and the funding programme. My question, really, to the Deputy Chief Minister is: although I understand that many of these matters that pertain to our position in the context of our withdrawal from the EU are sensitive, and in some cases, given the relative hostility across the Frontier, it is difficult for him to share across the floor of the House many of the answers to these questions, would it not be right for the Government to release certain information to alleviate some of the concerns being experienced by businesses up and down Main Street, in particular from the chamber and GFSB?

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Mr Speaker: With respect to businesses, you are anticipating the next question, which is your own question. You have a question next, Question 40. It has to do with the Chamber of Commerce and small businesses. You are anticipating that question and I am sure that you are going to get a more detailed answer than what you have had already.

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Hon. E J Phillips: Mr Speaker, I am grateful for that. Perhaps I got carried away with the questioning.

What we should do is, of course, restrain ourselves to some of the items that were put in the questions and I would just restrict my question therefore to the technical notices that the Deputy Minister, being responsible for our exit from the European Union, has dealt with and whether there is further information that he can provide and put in the public domain to alleviate any concerns by members of the public concerning these questions that have been raised by this side of the House.

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Hon. Deputy Chief Minister: Mr Speaker, the issue the Government has is discussing this across the floor of the House. That does not mean we have not discussed this with individual businesses or with business organisations. I think, as the Hon. Mr Speaker has suggested, if the

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hon. Member asks the next question and I give him an answer he will get an idea of the range of consultations that have taken place.

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Mr Speaker: The Hon. Roy Clinton.

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

1460 I am grateful to the Minister for his answer, but in terms of the costs that have been incurred and are likely to be incurred – and he may correct me if I am wrong, but from the Estimates Book we can only identify £200,000 in his specific Department and £10,000 in Immigration and Civil Status in respect to passports; that is £210,000 – would he agree with me that the costs are going to necessarily be significantly more than that?

1465 **Hon. Deputy Chief Minister:** Mr Speaker, not necessarily is the answer to the question. I can confirm that as our planning has progressed – obviously we need to move from plans to action – the Departments have already been requesting funds and funds have been approved for certain specific projects and that would be reflected in the expenditure of the Departments, not necessarily in the expenditure from the particular head which he mentioned under my own vote.
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Mr Speaker: The Hon. Lawrence Llamas.

1475 **Hon. L F Llamas:** Mr Speaker, I can appreciate that details cannot be shared across the floor of the House and I agree to that sensitivity. I would be grateful, however, if those details could be made available to Members opposite so that we can scrutinise those details and see exactly what the Government is doing to prepare for a hard Brexit.

1480 However, Mr Speaker, could the Deputy Chief Minister at least give an assurance, in terms of medicinal supplies and care in the health sector, that this will not be jeopardised under a no-deal Brexit and that this is being taken care of by the Government, simply for the comfort of people within the community who are, naturally, very concerned?

1485 **Hon. Deputy Chief Minister:** Yes, Mr Speaker, I can confirm that the Members of the Opposition who sit on the Brexit Select Committee were briefed in considerable detail this morning, that the briefing included, specifically, areas of health and care, and certainly the Government has no objection if the members of the Committee wish to share that information with the hon. Member, or certainly he is free to contact me and I am quite happy to share it with him myself.

1490 The information is already with them and I think they will appreciate from the extensive and detailed briefing that they have been given this morning that the Government is certainly doing everything possible to make sure everything works properly once we are outside the European Union. That information has already been passed to the Members across in the Brexit Select Committee.

Q40/2019

Brexit contingency meetings – Number held in last 12 months

Mr Speaker: Question 40. The Hon. the Leader of the Opposition.

1495

Clerk: Question 40. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government confirm how many Brexit contingency meetings the Government have had with the Chamber of Commerce and the Gibraltar Federation of Small Business in the last 12 months?

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

Deputy Chief Minister (Hon. J J Garcia): Yes Mr Speaker, the Government has held 45 meetings with private commercial entities and importers since the 2016 Referendum in order to assess the impact of Brexit and plans for eventualities.

The Government has also received 15 oral or written representations from business organisations. These figures include the Chamber of Commerce, the Gibraltar Federation of Small Businesses and directors or members of these organisations in their individual commercial capacity.

The Chamber of Commerce were given a detailed briefing on Brexit contingency planning in August 2018 and a working breakfast with the business community is currently being planned.

There was also a working lunch with the board of the Gibraltar Federation of Small Businesses on 13th February 2019 and with the board of the Chamber of Commerce on 14th February 2019 during which Brexit was discussed.

The Government has held the following meetings or received written reports from the following private sector entities in relation to the impact of our departure from the European Union since the Referendum of June 2016.

From June to August 2016: Chesterton, M H Bland, the Finance Centre Council, the Gibraltar eMoney Association, the Gibraltar Society of Accountants, the Gibraltar Association of Pension Fund Administrators, the Gibraltar Insurance Association, the Gibraltar Bankers Association, the Association of Trust and Company Managers, the Gibraltar Betting and Gaming Association, the Gibraltar Chamber of Commerce, SFA, the Equality Rights Group, Marble Arc Ltd, EY Ltd, SI Levy Estate Agents, the Gibraltar Federation of Small Businesses, Bulchand Ltd, UGuest and Gibdocks.

In November 2017: the Gibraltar Port Operators' Association; the Gibraltar Chamber of Commerce again; again, the Gibraltar Federation of Small Businesses; Morrisons Supermarket; Marks and Spencer; Next; ELC; Gibmaroc; Gibunco Group; M H Bland; Trident Freight Services Ltd; Redwood International; Matrix Logistics, including DHL; RESTSSO; Land Projects Ltd; A M Capurro; Resolve Marine; Deloitte; Vemaoil Gibraltar; Giboil; Hassans; T and T; Ocean Village and Marina Bay; Queensway Quay; World Marine Services; Incargo; Smith Imossi; and Gibdock again.

In February 2018: Restsso, Fast-A-Food, Saccone and Speed, Eroski, Morrisons, AMCO, Cassais, Marks and Spencer, EWMS, Trident Freight Services Ltd and Eastgate Freight.

In August 2018: the Gibraltar Chamber of Commerce.

In January 2019: Morrisons and Eroski.

Hon. E J Phillips: Mr Speaker, whilst I am grateful to the Deputy Chief Minister for identifying all those businesses and their interaction with the Government in relation to Brexit contingency, my question obviously related to solely the Chamber of Commerce and the Gibraltar Federation of Business, which I understand from that very helpful and full answer he has met with twice in relation to August and February. The Deputy Chief Minister will remember – in December, in fact – that the Chamber of Commerce made certain comments in the media about the lack of consultation with the Chamber of Commerce and I think that was in part then reacted to by the Government in their meeting with the Chamber this month.

What I would say about the general point – which I think, actually, with respect, Mr Speaker, does fall within Question 39 insofar as my question on the technical notices – is the Government have issued a grand total of these eight that I have in my hand; technical notices equivalents because they are not described as technical notices but press releases from the Government to assist business.

I have referred to the significant guidance that was issued in the United Kingdom in August through to October in relation to the impact on businesses and their processes at the border, and whilst I agree and I appreciate the fact that the Deputy Chief Minister has explained that it is sensitive, is there any further guidance that is going to be issued to citizens and businesses, and the general public indeed, as to the consequences of our exit from the European Union and the impact particularly on the Frontier?

As the Deputy Chief Minister will appreciate, I understand that they have issued press releases in relation to passports, pet passports, health and the funding programme but I am sure he agrees with me that much fuller guidance needs to be issued to citizens and businesses in due course, given the fact that we are weeks away from a potential Brexit situation without a deal.

Hon. Deputy Chief Minister: Mr Speaker, I think the hon. Member needs to understand that when talking about businesses in the United Kingdom a considerable proportion of those businesses are, in fact, manufacturing, and much of the argument and debate going on in the United Kingdom is how goods manufactured in the United Kingdom are going to move into the European Union or not, or vice versa. We have seen that with the announcements made by various elements in the car industry recently. We do not have that here in Gibraltar.

The other reality is that whereas the United Kingdom is in the Customs Union and part of the pledge made by the Prime Minister is that they would be leaving the Customs Union, Gibraltar is not in the Customs Union and has never been in it. So the reality is that that legal framework, certainly for goods, does not change.

We have consulted, as I said, with the Chamber of Commerce and with the Federation of Small Business. We have informed them of our plans and we have also informed and had detailed discussions with the list of individual businesses that I mentioned, many of whom are members of the Chamber of Commerce, or indeed board members of the Chamber or of the GFSB. Apart from that, we have also consulted, as I said, with a whole list of different business organisations.

I think those are the two points I want to make. Certainly the position in terms of business in the UK and business in Gibraltar is very different. The movement of goods now between the UK and the EU, and Gibraltar and the EU, is also very different than the Customs Union and leaving it. We are not in it and we are not joining it, so our position there does not change, whereas theirs changes.

Also, many of the technical notices published by the United Kingdom were completely irrelevant to Gibraltar, with some on nuclear plants and what have you. We went through them one by one in considerable detail and it was quite clear to us that the ones that were most important or most relevant were the ones that we needed to deal with and to issue here in Gibraltar. But that does not mean to say there will not be any more public statements or any more involvement of business associations or individual businesses in relation to Brexit as we leave the European Union. There will be more information, I am sure, and there will also be more meetings and further consultation with them.

Mr Speaker: Next question.

Q41-42/2019

EU nationals –

**Settlement procedures for those resident in Gibraltar;
policy re cross-border workers in event of no-deal Brexit**

Clerk: Question 41. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What are the settlement procedures that EU nationals residing in Gibraltar need to take in advance of the UK leaving the EU, and has Government got intentions to inform these EU nationals about them?

1595

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

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I will answer this question together with Question 42.

1600

Clerk: Question 42. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What is the Government's policy on cross-border workers (EU nationals) in the event of a no-deal Brexit?

1605

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

Hon. Deputy Chief Minister: Mr Speaker, resident EU nationals and EU nationals who are cross-Frontier workers will, in the event of a no-deal Brexit, continue to be treated on the basis of their acquired rights.

1610

Hon. Ms M D Hassan Nahon: Mr Speaker, can I ask the Hon. Deputy Chief Minister if he believes that there has been enough interaction between Government and these individuals potentially affected?

1615

Chief Minister (Hon. F R Picardo): Mr Speaker, this really is a matter that has not been dealt with in the context of the Brexit Ministry that the Hon. the Deputy Chief Minister is responsible for, but more something coming under the Ministry for Immigration, which is my ministerial responsibility.

1620

The position in Gibraltar is slightly different to the position in the United Kingdom in the sense that Gibraltar does not have anything called 'settled status', for example. What we have is a regime in respect of residence which is unaffected by Brexit in any way. And so the only thing that will happen – and we made this announcement some time before there was even a Withdrawal Agreement negotiated – is that Gibraltar will continue to respect the rights of those who have been here before exit day and will continue to deal with them on the basis of them having the rights that the European Communities Act bestowed on them, and will deal with new applicants – or, rather, new arrivals – on the basis of that Act not applying to them. That is why the Hon. Deputy Chief Minister reflected that as a reference to acquired rights. Those who have been here have, in our view, acquired the right to continue to be here on the basis that they arrived.

1625

1630

That has been communicated to all those who have made an inquiry of my office, or indeed more generally at the CSRO, and that was publicly communicated in the statements made by Her Majesty's Government of Gibraltar at the time of Brexit and thereafter. We have not found anybody telling us that they do not know what their position is. I think there is a reason for that.

1635

Gibraltar is a place where becoming resident is easy, so long as one is able to afford a rent or the purchase of property. That is usually combined with having employment. We have never really discriminated against individuals on the basis that they are from a third country, let alone from the EU. There is no discrimination to be felt, therefore, and in those circumstances, Mr Speaker, the number of enquiries has not been great and I think people have understood what the position and situation is.

1640

Q43/2019
No-deal Brexit –
Publication of advice for businesses

Clerk: Question 43. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Will Government be publishing advice for businesses to prepare for the possibility of a no-deal Brexit; and, if so, when?

1645

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

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, the Government has already published a number of technical notices for a no-deal Brexit which impact on the business community. These are on travel documents, mobile roaming, data protection and the .eu domain, for example.

1650

A breakfast seminar for the business community is currently being planned.

Government has been working with the various sectors to ensure that they are kept informed and abreast of any changes that will occur in their respective areas, and these engagements are ongoing.

1655

Government is, notwithstanding, considering further public statements as and when appropriate.

Q44/2019
Household and medical goods –
Arrangements for shipping from UK in event of no-deal Brexit

Clerk: Question 44. The Hon. Ms M D Hassan Nahon.

1660

Hon. Ms M D Hassan Nahon: Can Government confirm if it is involved in any arrangements for freights to ship any household and/or medical goods between the UK and Gibraltar in the event of a no-deal Brexit?

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

1665

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, the hon. Lady will understand why the Government prefers not to discuss these preparations in public. I will, nonetheless, be happy to brief her on the subject on a confidential basis; and as I said earlier, the briefing happened this morning.

Standing Order 7(1) suspended to proceed with Government Bills

1670

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.

1675

Mr Speaker: I will put the question, which is that Standing Orders be suspended in order to proceed with Government Bills. Those in favour? (**Members:** Aye.) Those against? Carried.

BILLS

FIRST AND SECOND READING

**Nature Protection (Amendment No.2) Bill 2018 –
First Reading approved**

Clerk: Bills for First and Second Reading.

A Bill for an Act to amend the Nature Protection Act 1991. The Hon. the Minister for the Environment, Energy, Climate Change and Education.

1680

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 Nature Protection Act 1991 be read a first time.

1685

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Nature Protection Act 1991 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Adjournment

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should now adjourn to Thursday, 14th March at 3.00 p.m. in the afternoon.

1690

Mr Speaker, that date will be 15 days before the United Kingdom, with Gibraltar, is due to leave the European Union. I say 'due to leave the European Union' because these are times of flux – flux of the sort that I do not think we have ever lived in politics before, since probably 1939, and I say that advisedly.

1695

I do not discard having to ask the House to return before that date, if it is necessary to pass emergency legislation; there is provision in the Standing Orders for us to do so.

1700

Mr Speaker, now we are less than 40 days from our departure from the European Union. I just want to emphasise that there will not be a General Election between now and then and I would call on all Members of this House to keep in mind what our destination is on 29th March, involuntary as it is, and although politics must continue as usual it is fundamentally important – in the interests of this community, in the interests of all of us, in the interests of all of us in this House, in the interests of all our descendants – that we get this right and that for the next 30-odd days we concentrate on reaching that destination in a way that secures Gibraltar's future.

I move that the House should now adjourn.

1705

Mr Speaker: The House will now adjourn to Thursday, 14th March at three in the afternoon.

The House adjourned at 5.20 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.10 p.m. – 5.09 p.m.

Gibraltar, Thursday, 14th March 2019

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The House adjourned at 5.09 p.m. 30

The Gibraltar Parliament

The Parliament met at 3.10 p.m.

[MR SPEAKER: Hon. A J Canepa CMG GMHOBE *in the Chair*]

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

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

Clerk: Meeting of Parliament, Thursday, 14th March.

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

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

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

EU withdrawal developments – Statement by the Chief Minister

Mr Speaker: The Hon. the Chief Minister.

10

Chief Minister (Hon. F R Picardo): Mr Speaker, the events of last night in Westminster are unprecedented. The Prime Minister told the House of Commons at one o'clock yesterday afternoon that she would, of course, be voting in favour of the motion standing in her name later yesterday evening; yet, later yesterday evening she voted against her own motion as it had been amended, although it was still standing in her name.

15

The Commons voted by motion to rule out a no-deal Exit from the European Union, but that the UK and Gibraltar will still leave on 29th March is still the position in law. It has not changed and the Article 50 notification can still be revoked or the period of two years provided for it extended, but that has not happened yet.

20

The motion before the Commons today seeks an extension to 30th June, so long as there is a Withdrawal Agreement in place before the end of next week, or a longer extension otherwise, but that motion is amendable. In fact, hon. Members will have seen that a number of amendments have been tabled, so the final motion of the Commons will not be clear until late this evening.

25

As I told our nation late yesterday, this is a time of unprecedented flux. We have not seen the like of such political uncertainty in the post-war modern democracy of the United Kingdom. The British government is being repeatedly defeated in its own House of Commons. The whipping system of parliamentary discipline has entirely broken down. As a result, I am sure I speak for all of us when I say that I am pleased that I believe that we are closer to a no-deal exit from the EU being entirely off the table, but let's be clear: we are not safely there yet. For now, the default position in law is still that we leave on 29th March, deal or no deal. Until the Withdrawal Act is amended, if the legislation to do so passes the Commons, the default in UK law is unchanged.

30

Even if the Act is amended, the UK will leave the EU on 29th March if the EU does not agree to an extension of the Article 50 process, because at the other end of the spectrum the United Kingdom may seek an extension of the Article 50 process, but that depends on the EU agreeing that extension; or the UK may revoke the Article 50 notification unilaterally in the absence of such an extension.

The Government must, therefore, in Gibraltar continue to plan for all options, including a now less likely no-deal exit. At the moment, all permutations remain possible. Too many still remain probable. We must therefore plan for all the eventualities that could emerge.

Revocation of the Article 50 notification is, nonetheless, also now a likely possibility. It is now being increasingly mentioned. Indeed, the Prime Minister mentioned it yesterday on a number of occasions and hon. Members will know that the Father of the House at Westminster, Ken Clarke, moved an amendment with Vince Cable and one other member from the Labour Party also, which was not selected by the Speaker and which was not voted on, seeking that the House vote for the revocation of the Article 50 notification. Mr Speaker, I believe that the revocation of the Article 50 notification leading to the United Kingdom and Gibraltar remaining within the European Union indefinitely would undoubtedly be the best outcome for Gibraltar.

A vote may also manifest itself. It may happen as a new referendum. Hon. Members know I try never to call it a 'second referendum', as this would be a new referendum on a new question, which I think would be the legitimate way to go about a new plebiscite. Indeed, as I have said since July 2016, the most legitimate new vote would be to put whatever mechanism for withdrawal or new deal has been agreed to the vote, with remaining in the European Union as the alternative. That option is now, in my view, undoubtedly the right one as the Commons has said no to a no-deal exit. It is also possible that the vote could manifest itself as a General Election in the United Kingdom.

We cannot let our guard down and we will not let our guard down, and we will not let Gibraltar down as we ensure that we are ready for whatever Brexit and the Commons throw at us. We must continue, we will continue and we do continue, in these times of unprecedented flux, to plan for every eventuality now.

For that reason, today the Government has published a Bill amending the Tobacco Act 1997, allowing the Collector to publish minimum retail prices of tobacco. Hon. Members will know that that is pursuant to one of the MoUs entered into in the context of the Withdrawal Agreement.

I have already given instructions for the drafting of whatever domestic legislation is necessary in order to give effect to the historic Tax Treaty we have reached with Spain. As I have already stated, I welcome the Tax Treaty, which I am confident will lead to putting an end to the irritating myth that Gibraltar is anything other than entirely co-operative when it comes to the exchange of tax information. This treaty and the co-operation it supports should put an end to that myth and I have this afternoon tabled a motion, that hon. Members may have seen, to enable this House to note the existence of this Tax Treaty. I intend to lay it on the table, Mr Speaker, at the end of this Statement also, so that it is formally before the House.

Finally, Mr Speaker, the past 48 hours in Westminster really have left me with a feeling of politics and democracy being practised almost as an extreme sport for thrill seekers. We must hold our nerve and we must hold our heads up high, and we must hold on for any result, but we must hope for developments that enable us at best to remain in the European Union or at the very worst to leave but with a deal. In doing so, we must be clear that reports of Mrs May's political demise have been premature before. We have heard for the better part of a year, in sometimes pretty distasteful terms, how she has entered the kill zone, how this is her week of reckoning, etc. We have heard it week after week, and yet she may still emerge as a Rocky Balboa type, with a last-second victory for her deal.

If it came to it and we were asked for our advice, what I would say to all colleagues in Westminster is that the best way to take back control of the process of leaving would be to revoke the Article 50 notification and remove the EU's ability to pressure the United Kingdom

85 Mr Speaker, after the events of the past 48 hours the Government today will only be able to deal with two Bills. I expect to be able to come back to the House next Thursday to deal with other Bills and other mechanisms which may need to be put in place in time for Gibraltar leaving on 29th March, if that were still the date by which we leave – and because every eventuality is on the table, we must prepare for that.

90 Mr Speaker, I am sure that the Clerk will enjoy the support of the whole House if he has to quickly plan for European parliamentary elections. I am sure it would be a problem we would all like to have and that we will all lend him our support by registering early and voting early also, if it came to that.

95 Mr Speaker, I think at this stage that is all I can reasonably say to the House in respect of the events of the past week and in particular the past 48 hours. I know that all hon. Members will want to know what happens this evening in Westminster, which may deal with at least a further part of the conundrum of how Brexit will be resolved finally falling into place.

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

100 **Hon. E J Phillips:** Mr Speaker, we are grateful for the Chief Minister's Statement in relation to updating this House as to the events that have happened over the last couple of days in London.

Of course this is a period of unprecedented flux, as the Chief Minister has said, and quite clearly the discipline in Westminster has completely broken down to the extent that we now see the Prime Minister voting against her own amendment.

105 Mr Speaker, we must, as the Chief Minister says, continue to prepare for all potential outcomes and all possibilities that occur as a result of tonight's vote.

We cannot, of course, go without a comment in relation to the Government's position throughout this process. We have reserved judgement in respect of the handling and management of this process, together with the position adopted by the Chief Minister in relation to the Withdrawal Agreement, for example, which has been both rejected conclusively by the UK Parliament, indeed twice now. No one will forget the comments by the Chief Minister in November last year in which he overtly supported Mrs May's Agreement and was probably the only person to do so.

115 In relation to the Chief Minister's comments in relation to tax, we have prepared, of course, to respond in some way to the Tax Treaty, but we are grateful for the indication given by the Chief Minister that he has filed a motion within which we can substantively debate the question of the Tax Treaty, and whilst we cautiously welcome the Chief Minister's Statement we will watch and see in relation to tonight.

120 One last thought should be, of course, for the general population insofar as the comments we receive on this side of the House, and I am sure the Chief Minister and his team receive, in relation to the very real concerns up and down Main Street in relation to our people and their businesses, who are concerned about the consequences of Brexit, are concerned about our exit from the European Union and the impact on their personal lives, their tax affairs and indeed their businesses – some reassurance by the Chief Minister in his reply to members of our community who have genuinely held concerns about the future of them and their families.

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

Hon. Ms M D Hassan Nahon: Mr Speaker, I too thank the Chief Minister for his Statement this afternoon.

130 The last 48 hours have indeed been unprecedented in the United Kingdom to an extent that we have not seen since post-war Britain. Mrs May's deal has been defeated, her own Cabinet Ministers have rebelled against her, she has rebelled against herself in her own motions and Parliament is in total chaos. First we heard that no deal was better than a bad deal, then we heard that a deal is better than no deal, and now we are talking about extensions. The United

135 Kingdom seems to be throwing motions and votes about as if the EU does not actually have a final say or is not actually even on board. This is something that seems to be forgotten these days in Westminster. So, the fact of the matter is that, because of that, the UK could easily be sleepwalking into a no-deal scenario on 29th March.

140 Mr Speaker, this political thriller still has not seen the end of the series, and my concern, as I have said before, and needing clarification from this Statement, is due to the reality that the Government have been championing Mrs May's deal. And it is something that can be understood, considering that we are talking about the government of the UK and the Government of Gibraltar lobbying and working with the government of the UK to achieve the best deal possible, but the fact of the matter is that there is a possibility of no deal and we do
145 have situations that need clarifying – for example, as I raised back in December, the issue of border inspection points; the issue of food and perishables, which I was told at the time was a zero issue but today seems to be a possibility to become a massive issue and we still do not have clarity. Businesses are reporting that there is no information being given to them. Mothers, fathers, children need clarity, need to know what is going to be happening, and unfortunately it
150 seems that we have been putting all our eggs in one basket but not in parallel and at the same time organising plan B, plan C and plan D because we do not know which one could transpire.

So, Mr Speaker, I kindly ask the Chief Minister to clarify how much contingency planning is going on and offer more information to this community to put us at ease that the Government is budgeting and dealing with every eventuality that could easily transpire.

155 Thank you.

Mr Speaker: The Hon. the Chief Minister – do you wish to take. On previous occasions when you have made a Statement, you have replied one by one. After your reply to the Hon. Marlene Hassan Nahon, I will call upon Mr Danny Feetham to ask a question.

160 **Hon. Chief Minister:** Thank you, Mr Speaker. I have no difficulty with that way of progressing.

I am grateful for hon. Members' interventions. The Hon. Mr Phillips, who is not a member of the Brexit Select Committee – although he is now the Leader of the Opposition, the GSD has not asked that we should replace another one of the members that they have on the Brexit Select
165 Committee with him – said that they reserve judgement on the work that the Government have done. Well, I think it must be him reserving judgement, because a number of other members of the GSD have said overtly, to use his terminology, that they think the Government has left no stone unturned in the work that we have done to protect Gibraltar. In fact, although he is not a member of the Brexit Select Committee, the Hon. Deputy Chief Minister reminds me that we
170 extended to him the courtesy of a briefing in respect of all our planning for no deal. So, he can reserve judgement as much as he likes. But there are on the record statements of support from other Members opposite.

And given how he decided that he was going to, in effect, attack the way that the Government has handled the negotiations in respect of our departure from the European Union
175 – our involuntary departure from the European Union – he will allow me to tell him that if there is a lack of discipline in Westminster and voting does not go as one expects, all that happens, if you are sitting on this side of the House, is it reminds us of what it was like to see them voting for the Budget two years ago, or rather some of them not voting for the Budget two years ago and others leaving and voting for the Budget two years ago, although some of them have gone
180 back since then. So, I will not take lessons on overt support for measures from him.

But let's be very clear, Mr Speaker: I am entirely comfortable to have negotiated for Gibraltar a strand of protection in the event of the United Kingdom leaving the European Union with a deal – entirely comfortable. Indeed, I am not just comfortable about it, I am proud of it because
185 hon. Members will recall that the opening position of the European Union, with the encouragement of Spain and in order to support Spain, was that the United Kingdom was leaving the European Union, that they would negotiate a deal for the United Kingdom to leave with a

deal, but that Gibraltar would not form part of that deal, and we have negotiated for Gibraltar, conceding nothing in the process, that we should form part of that deal.

190 None of us want to leave the European Union – at least none of us on this side. I know that their executive is bitterly divided on this issue and I have seen in publications and I have seen on public social media that members of their executive want us to leave as soon as possible, whilst we on this side of this House are entirely united in not wanting to leave. That does not mean I devalue the support of those on that side of the House who are clearly also supportive of remaining in the European Union, as we are. But it appears – although we do not know what is
195 going to happen in the next half an hour – that the United Kingdom is leaving the European Union. It appears that that will now be with a deal, not without a deal; and it appears, because of the work that we have done, that Gibraltar will have the benefit of that deal.

What the hon. Member needs to realise is that he needed to have been the person sitting in my chair, considering the possibility that if the United Kingdom leaves the European Union
200 against our wishes, takes us with them, has the benefit for itself of a transitional period and deal with the European Union and we do not have the benefit of that, we would have been the worst territory in Europe from which to do business as a result. So, when I gave overt support to the Withdrawal Agreement it was because that Withdrawal Agreement contained parts negotiated by me and the Gibraltar team, including the Deputy Chief Minister, the Attorney General of
205 Gibraltar and the Financial Secretary of Gibraltar – none of us known for our desire to make any concessions on anything to anyone, let alone Spain – in order to protect Gibraltar from the eventuality that the United Kingdom might leave with a deal and us not have the benefit of it.

If they thought for one moment that it was wise to see the Prime Minister of the United Kingdom negotiate a Withdrawal Agreement which provided for a transitional period on
210 withdrawal and not to negotiate for the inclusion of Gibraltar, which is what would have happened if we had not moved, there would have been a Withdrawal Agreement, the UK would have had the benefit of the transition and we would not.

When the Withdrawal Agreement was done, the direction of travel was to depart, as it is today. Although there may be other hope, the direction of travel is to depart. We had to ensure
215 that that Withdrawal Agreement, which provided for Gibraltar and protected Gibraltar, was the Withdrawal Agreement that passed and not another one.

Or is it that they do not fear, if the Withdrawal Agreement is reopened, that there is the possibility that all matters may be renegotiated, including Gibraltar matters? If they do not understand that, Mr Speaker, they really are not in a position to make informed decisions about
220 this economy or indeed this community.

So I am very pleased, Mr Speaker, that the hon. Gentleman – thinking, I think, he was making a party political point that might be advantageous to him – gave me the opportunity to remind people of how important the work we have done has been to ensure that we were part of the Withdrawal Agreement and why we were right then and we would be right now to support that
225 Withdrawal Agreement if the United Kingdom is going to leave and if it is going to leave with a deal.

The hon. Gentleman says that he has come ready to talk to the Tax Treaty. Well, I am very pleased that he has come ready to talk to the Tax Treaty. So have I come ready to talk to the Tax Treaty. I am looking forward to having the discussion about the Tax Treaty. I know that there are
230 many commentators in Spain who are very disappointed with the Tax Treaty and what Gibraltar has achieved in it, and I know there are one or two commentators in Gibraltar, who are not in this House, who have said things about the Tax Treaty which are unfavourable – but I suppose you cannot please everybody all of the time, especially those who are hellbent on not being pleased. I have no difficulty with that. Indeed, Mr Speaker, I support the fact that there should
235 be people who make foolish points so that we can address them – and I do not mean the hon. Member, because he has made no point yet; I am talking about those outside the House. I shall mean him when he makes his point, no doubt.

Mr Speaker, the hon. Member says then, from the position of replying to a Government Statement when we have been living this every moment, 'We will watch and wait.' I am grateful for that level of honesty, because that is what the hon. Members, or at least the hon. Member – I am just addressing him – is doing. He is just watching and waiting. We have held hundreds of meetings, travelled hundreds of thousands of air miles, conducted myriad negotiations, secured Gibraltar's position, protected our businesses, ensured that our economy is going to be able to continue to function and not just function but flourish – and he is just watching and waiting, which is perhaps, given the fact that his party have not even proposed him for the Brexit Select Committee, exactly what one would expect. There is a Spanish saying that says that the bulls are best seen from the other side of the barrier. That is how the hon. Gentleman is seeing the bullfight that is Brexit, and I commend to him that he should stay on the other side of the barrier.

But then he says, 'We are watching and waiting and we are concerned about the consequences of what might happen for Gibraltar.' Well, Mr Speaker, how can he then not be pleased that we have dealt with the consequences, both in the context of a Withdrawal Agreement so that there is the benefit of transition, that we have dealt with the consequences in the context of no deal because the hon. Gentleman would have seen the *real decreto ley* that has been issued in Spain and some of the contingency measures issued by the European Union, etc., and indeed be very pleased by the fact that even no deal appears now to have been set aside? But what he cannot do is say, 'I condemn you for being overtly in support of the Withdrawal Agreement but I am concerned about what happens to Gibraltar.' I have just been able to ensure in the Withdrawal Agreement that we are protected, so he needs to understand that logically the things that he says cannot be juxtaposed and make sense.

And then he says that he is worried about the future for Gibraltar, he is worried about Gibraltarians and their families, etc. Well, Mr Speaker – and I will say this both to the hon. Gentleman and to the hon. Lady, who has said that she is concerned about mothers, fathers and children – my mind, my heart, every sinew of my body and every kilojoule of energy that I have used since the morning of 24th June 2016 has been engaged in protecting mothers, fathers, children, people who may not be mothers or fathers, every soul that lives in Gibraltar and indeed those who come to work in Gibraltar and make Gibraltar's economy a success. We have protected them in the context of the Withdrawal Agreement. We have protected them in the context of no deal. We have ensured that the future of Gibraltar is not in any doubt. Our economic relationship with the European Union is in doubt and we must not fall into the hyperbole that the Spanish would want us to fall into – and I only see this in the Spanish press that says that the future of Gibraltar is in doubt. No, the future of Gibraltar is not in doubt, the future of Gibraltar's sovereignty is not in doubt, the future of Gibraltar's economy is not in doubt, the future of our prosperity is not in doubt: all of that will be secured, especially because if there is a Withdrawal Agreement we are part of it.

What is in doubt is our relationship with the European Union. If I was talking in Westminster I would say 'our biggest trading partner'. Our biggest trading partner is the United Kingdom. We have protected that trade in our relationship with the United Kingdom until 2020 and indeed for thereafter as well. The hon. Gentleman might say, 'Ah, but you have not secured our relationship with the European Union to be the same as the UK after 2020.' Well, neither has the UK, because the European Union has said, 'We are not going to talk about that until after you have left. As a concession,' they said, 'we will talk about it before you have left if you sign the Withdrawal Agreement and we are just in the process of implementation.' But the United Kingdom has not signed the Withdrawal Agreement. So, the hon. Gentleman might want to say whatever he likes but he cannot judge me harshly for not having achieved in a negotiation that the other side to the negotiation has said it is not prepared to start yet with the United Kingdom – a slightly larger nation than Gibraltar – because that is what he is saying.

I will give him one assurance, Mr Speaker: when the time comes and that negotiation starts, the position of the Government of Gibraltar will not have changed by the time it ends. In other

words, we will not make any concession whatsoever, as we have not done to date, in respect of sovereignty, jurisdiction or control over Gibraltar, and I will take on all comers who want to have a debate on that subject when the time comes, when those provisions kick in, looking line by line, full stop by full stop, comma by comma and, as Joe Bossano taught me and every other Gibraltarian, letter by letter, because even issues of plurality in the Brussels Agreement, we learnt, could have different meanings in one language and in another. I will take on all comers that care to be deployed on behalf of Members opposite or elsewhere to suggest that a Cabinet involving any of the 10 Members sitting on this side, including those two who are away on Government business – the Minister for Sport in the Middle East with our fantastic special Olympians and the Minister for Equality in New York on matters related to equality and on her way also to Abu Dhabi – indeed, a team involving Joseph Garcia or Joe Bossano having been the ones who made concessions in the context of those negotiations. He need not worry, therefore about the future of Gibraltarians, their families or indeed for any concession.

Mr Speaker, I think the hon. Lady captured the feeling that I was trying to convey about the high-stakes game that appeared to be played in Westminster and the fact that Mrs May ended up, as she put it, rebelling against herself by voting against the motion that still stood in her name. It is absolutely true, and the hon. Lady is making a point that I made and that Jacob Rees-Mogg makes – so we are strange bedfellows with an arch Brexiteer – namely that the default position still remains that the United Kingdom leaves on 29th March under UK law and under the arrangements with the European Union, unless UK law is changed and unless the European Union concedes an extension or the Article 50 notification is revoked, and therefore we have to be ready for those eventualities. That is what I have told the House today.

So, when she said that she understood why I was championing Mrs May's deal, I think she also wanted to reflect the fact that it worked for Gibraltar. I think she said as much and I am grateful for that, but she then went on to suggest that some of our no-deal planning is not as bullet proof as hon. Members would have wanted. Well, she has been briefed privately on some of the subjects that she is now asking questions about, so I am going to be circumspect about what I say, because Hon. Members will understand that if we are doing contingency planning it is because we fear that a third party, either the European Union or a part of it, is going to try and take steps which might be negative for Gibraltar and we need to avoid them. So, if I put out there what we are doing to avoid them, then I will be playing into the hands of those seeking to do those things.

On the issue of the border inspection posts in particular, Mr Speaker, the position of the Government remains exactly as we set out to her. Indeed, it is improved. I told her that this would be zero issue. This is now a zero minus issue. The issue of border inspection posts has been dealt with entirely satisfactorily in the context of discussions we have had with the European Union because the measure is a common agricultural policy measure which never applied to Gibraltar and because the issues that obtain are issues relating to the checking of perishable goods, in particular those originating in the European Union. There is only one minor issue there and that issue does not relate to the exportation to Gibraltar of perishable European goods; it obtains in respect to the ability of goods to exit the United Kingdom which will then be a third country, be imported into the European Union and then be exported from the European Union. We also have assurances in respect of the second exportation – in other words, the exportation from the European Union to Gibraltar. The difficulty will be the first exportation, the exportation from the United Kingdom into the European Union if there are issues well beyond our frontiers, up Calais way etc., if there is a traffic jam there.

There is precious little that we can do about that, but that does not go to fundamentals and the way that I have expressed this before – and the hon. Lady will have heard me express this in some of the briefings she has had – is that the core function of Government is to ensure that there is food in our shops and that we are able to victual Gibraltar generally. It is not that we should have Bovril or Marmite or a particular type of Scottish beef; it is that there should be beef. If there is a difficulty with goods being exported from the United Kingdom to continental

Europe, then that is something which I think will be a blip. I think even in the context of a no-deal Brexit it should be a short-lived thing whilst those mechanisms are resolved.

345 Therefore, Mr Speaker, in that context we do not need to dramatise more than is necessary for ourselves a very dramatic situation already by talking about worrying about mothers and fathers and children, etc. – and let's also remember that there are people who are neither mothers nor fathers and we must not ignore them. Looking after the interests of every Gibraltarian does not require us to worry about the ability to virtual Gibraltar. That is not an issue. I told her it was a zero issue before; it is now a minus zero issue.

350 She said that therefore all our eggs are in one basket, but she knows from the briefings she has had that all our eggs are not in one basket. The Civil Contingencies Committee has been fully engaged. The Ministry of Defence has engaged with the Government of Gibraltar. There are many strands to what we would be doing. There are many routes into Gibraltar, which are not just the Frontier, in case the assurances we have received and even the laws that have been
355 passed are not adhered to, and we are the press of a button away from those routes being able to be engaged. If we had engaged them already, hon. Members would be saying to me the morning after they were not needed. 'It is disgraceful that you spend taxpayers' money on something that in effect you have wasted and you have thrown away.' So, the balance has been to ensure that we are ready and able to engage those resources without having engaged them if
360 that was not going to be necessary.

I think on reflection she will want to think that we have done what we needed to do in order to be able to give this community the guarantees it needs without having failed in our duty as guardians of the public purse in that respect.

I am quite happy to deal with any other points that hon. Members may wish to raise.

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Mr Speaker: The Hon. Daniel Feetham.

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

370 I have two questions, but before I deal with the questions I want to deal with some of the things that the Hon. the Chief Minister has said because he was referring directly to me in some of the statements that I have made previously.

It is certainly true that I have said that the Government has left no stone unturned in its lobbying exercises in the United Kingdom and elsewhere, and indeed I said that both he and the Deputy Chief Minister had spoken to everybody that the Government needed to speak to. That
375 is what I have said.

I have made absolutely no comment at all in relation to the Memorandums of Understanding. There are a number of reasons for that, not least because it is not my area of responsibility. If I were asked – and indeed I am going to now touch upon it – 'Has the Government made concessions in relation to the Memorandum of Understanding?' yes, the
380 Government has made concessions. The issue is not whether the Government has made concessions or whether the Government has not made concessions, because in any negotiations of that sort you expect there to be an element of give and take. The issue is, taking into account what the Government has gained – in other words, for example, the extra two years and the ability that that gives to reposition the economy etc., which we have spoken about previously –
385 whether what the Government has given is justified. The GSD has taken one position and the Government has taken a different position.

But I will say this, that all that – in other words, the exchanges and the differences of opinion across the floor of this House – could have been avoided if the Government had accepted my advice from the beginning, which was to include the Opposition in the process. I said that not
390 only because I believe that that is the right way of undertaking politics particularly. I have to say that that may sound strange coming from somebody who likes a bit of a scrap now and again, but on something as important as this and with the challenges that we as a collective community

face, I think it was important and it was an occasion where the Government and the Opposition ought to have worked together in order to find and set that roadmap for the community.

395 I also said it because I do not believe that actually it is in anybody's interest, still less in Gibraltar's interest, for there to be these party political exchanges on issues of this importance, but the reality is that if we are going to look at and we are going to apportion blame for that, the Government has got to take its share of responsibility because the Government did not include the Opposition in that process from the very beginning, which was what I advised the hon.
400 Gentleman in good faith, and he knows that the advice that I have provided him has been in good faith.

What I have said publicly ... And they were not connected, in fact: the hon. Gentleman made a contribution to *The Times* when he asked MPs at Westminster to support the Withdrawal Agreement; I came out a day later with a letter to *The Times* arguing that I did not think that the
405 Withdrawal Agreement was good for Gibraltar. They were not connected, by the way. I was not responding to the hon. Gentleman in the international press. They were completely unconnected and I did not know that the hon. Gentleman was going to be making a contribution when I submitted my letter. But what I did say and what my position has been in the public statements that I have made on the Withdrawal Agreement – forget about the MoUs; I have
410 made no comment on the MoUs – has been that, actually looking at it, I did not think the Withdrawal Agreement that Mrs May has negotiated – this has nothing to do with Gibraltar – was good for Gibraltar because all it really does is it buys Gibraltar two years, but the reality is that Spain is going to block a permanent agreement applying to Gibraltar without having its pound of flesh, and therefore, actually, I thought that as a community, all of us, what we should
415 have been doing was attempting to persuade MPs at Westminster to try and ... The course of action that I have on social media and in my current irrelevance as a mere mortal on the Opposition benches ... a referendum on Mrs May's deal, indeed a referendum on three options: Mrs May's deal or no deal, and remain as an option. I think that we ought to have done that. That is not intended as a criticism of him; it is what I personally genuinely believed we ought to
420 have done.

Now, Mr Speaker, having dealt with that – and I had hoped that I was not going to be making a preamble of that sort, but I really did feel that I had to respond to the Chief Minister's comments about what I have said in the past – I will ask the Chief Minister two questions.

The first is: there is a difference between withdrawing the Article 50 notice, which the UK can
425 do unilaterally and that would mean that the United Kingdom and Gibraltar would remain part of the EU, and the United Kingdom asking for an extension, because asking for an extension, or the viability of it, depends on the 27 EU member states agreeing to it. How confident is he that Spain is not going to put the kibosh on the extension applying to Gibraltar? And, indeed, has he received any assurances from the United Kingdom government that the United Kingdom
430 government would resist that tooth and nail?

The other question that I would ask is: if Mrs May's Withdrawal Agreement goes by the wayside and the protocols therefore go by the wayside, is my understanding correct that the memorandums of understanding would also go by the wayside? And also – I am cognisant that there is going to be a debate in relation to this – what about the Tax Treaty? Does this Tax
435 Treaty, as I understand it to be, stand separate from the Withdrawal Agreement altogether?

Those are my questions. Thank you very much, Mr Speaker.

Hon. Chief Minister: Mr Speaker, I am grateful to the hon. Gentleman for having clarified what it is that he has said in the past. I am not grateful, therefore, for his support if he is saying
440 that he has not given it. I thought he had and I have been particularly gentle with him in the past year as a result. But of course I never take his word for what he says he has said, and I will go back and look at what it is that he has said that he has said because I think he may have said something that went a little further than what he has said that he said today.

It is absolutely true, though, that he said that we left no stone unturned in our lobbying. I think he has gone a little further also. And it is also true that he has said nothing in relation to the MoUs. I was not suggesting that he had. I was not suggesting that he said anything positive. I was talking about the negotiations there, not the MoUs. But let's be clear, Mr Speaker: he says in his analysis that we have made concessions in the context of the MoUs. I say we have not. But he says, 'Although you have, I am not saying that is wrong; I am saying "What is the calculation that we end up with when we put on the balance those concessions I say you have made versus what you have achieved?" and you have only achieved it for two years.' Therefore, he leads us to the conclusion that he thinks that we have made concessions which have been made for a not sufficient return. Well, of course, if he were making that argument – I see that he is shaking his head now, although that is what he said – he would be wrong even by his own incorrect logic because the concessions are contained only in the Memorandums of Understanding, by his understanding of concession, because we see none in them which are coterminous in time with the period of two years, which is what we have obtained. And so, although he is wrong in saying that we have conceded anything, if we have conceded anything we have only conceded it for the two-year period, which is the only thing, in his analysis, that we have obtained in return therefor. So, it would be, in effect, a balance of what he says are concessions, which I cannot for one moment see. I am quite happy to do the detailed analysis when the time comes by motion. The reason they are not before the House yet is because there is as yet nothing to kick in because there is no Withdrawal Agreement, but I am happy to do it, as I say, line by line, full stop by full stop, comma by comma, to show that there are no concessions but there are the two years. That is the first point, Mr Speaker.

He will forgive me if this far down the road in my political career I do not start taking his advice now, for a simple reason: first of all, he has never taken mine, which is probably why he is sitting over there and I am sitting over here; and second, because his advice is always contrary to the things that he does and the things that he proudly defends. For example, he says, 'In a moment of national crisis of this sort, you must involve the Opposition – that is what I would do.' He joined the GSD when the joint sovereignty issues were in play and we were excluded. (Hon. D A Feetham: No.) Sorry, just after. No? (Hon. D A Feetham: In 2005.) In 2005. Oh, right, okay, so he was not in the GSD at the time of joint sovereignty but he sits with the GSD – and in 2002-03... *es que como se te veia el plumero de ante*, pore so me [inaudible]. In 2002-03, the GSD, during the time of joint sovereignty did not involve the then GSLP-Liberal Opposition in any of the determinations that it made. It did not even extend confidential briefings of what was going on. It successfully dealt with the issue of joint sovereignty without involving the Opposition. The GSD now says, 'Oh, that is a long time ago and you are different to us.' Well, that may be the case but they are not different to what they were and they are telling us that we should do it in that way. If we had done it that way we would have been the different ones who did it in a different way, but they cannot tell us to do it a different way because they were the ones who did it in that way. (Interjection)

Mr Speaker, that GSD had a percentage advantage over the GSLP which was minuscule, not a 36% lead in the result of the election. The hon. Gentleman needs to understand we enjoyed more than the support of two thirds of the population at the last election and nobody knows what we will enjoy at the next election – and the hon. Lady might giggle but she does not know what support she will enjoy at the next election. None of us know. That is at large, but we are here on the basis of the result announced after the last election and we have more than two thirds of the support of Gibraltar in that sense, so we are legitimised in being able to take these decisions, but because we are a New Dawn and because we do not do things in the way that they did them at the time of joint sovereignty, we involve them in briefings so that they can know what is going on.

The Hon. the Deputy Chief Minister, who is a man of deep principle, in every meeting of the Brexit Select Committee has asked the Members attending, 'Is there anything you think we should be doing that we have not done? Is there anything you think that we should pursue,

anyone you think we should talk to who we have not spoken to?' And apart from the Hon. Mr Feetham, I think, who on one occasion made one or two sensible suggestions which we pursued, hon. Members did not say a peep.

500 So we did change the way we did things from the way that they did them in joint sovereignty times, because we are a New Dawn and we do things differently.

But given the dates the hon. Gentleman has reminded me of, it is also true that hon. Members, including him, who were members of the GSD executive at the time of the Cordoba Agreements – agreements of which we learnt when they were published in a local newspaper, or indeed, as is usually the case, on the website of a Spanish newspaper before they are
505 published in the context of a Spanish newspaper ... The Tax Treaty was first read in Gibraltar and it was first published in Gibraltar, the terms of the Tax Treaty. Let's be very clear about that. Mr Speaker, he cannot shirk off responsibility for what was happening in 2006 and the lack of our involvement, although those did involve concessions, especially at the Airport, and if we had been involved our views might not have been too welcome about them. And he particularly
510 cannot shirk responsibility in that respect because I have on my desk – because I was reading it for other purposes the other day – the staunch defence he made of the Cordoba Agreements, saying that the Opposition 'just want to criticise the agreements because they are opposing for the sake of opposing'. And of course one of the people that he says is doing that, and he names him, is the current leader of the party that he sits in. Not the Leader of the Opposition, the
515 current leader of the party that he sits in that was then criticising the party that he sits in, not for not having involved people in the context of those negotiations but for having done them.

Hon. D A Feetham: I can see you are preparing for the elections already.

520 **Hon. Chief Minister:** No, Mr Speaker, I am preparing to understand every aspect that is relevant, every full stop and every comma of what has been done, why it has been done, why it is properly done and why it is different to what was done before – although the hon. Members need read no more and no less than the magnificent interview that the knight the hon. Gentleman refers to as the greatest Gibraltarian of all time gave to *Viewpoint* some weeks ago
525 when he explains the difference between one and the other. I will leave it at that.

And then he says, Mr Speaker, that it is not in anybody's interest to have a party political exchange about these things, and quickly embarks on a party political exchange about these things. The hon. Gentleman is, even in the moment in which he is giving advice, giving it and doing the opposite. I do not have to go back five years or 10 years to demonstrate that – he is
530 the living embodiment of that contradiction of advice versus action.

He says that he wrote to *The Times*, Mr Speaker, because he believed that Mrs May's deal, which he attributes to her, thankfully, not to me – some suggest that it is mine; the Gibraltar parts are mine ... He says that he wrote in *The Times* because he believed a referendum was better than the Withdrawal Agreement. Well, I believe that remaining is better than leaving with
535 a Withdrawal Agreement or without it, but if we are leaving – and the United Kingdom government is even today, at this time, in the Commons saying that we are leaving – I believe it is better to leave with a Withdrawal Agreement.

A referendum is an opportunity to stay in but it is another roll of the dice, which could result in us leaving and potentially even without a deal. That is why, Mr Speaker, I prefer the idea of a revocation in some sense and not even having to have a second referendum and perhaps
540 resolving this issue in another and remaining, full stop. Hon. Members must never try to caricature my support for the Withdrawal Agreement – if we are leaving – as my support for leaving versus remaining.

The only people in Gibraltar I have seen supporting leaving versus remaining are members of
545 the executive of hon. Members opposite, full stop, and they say it on their Twitter feed all the time. I suppose that is why the hon. Gentleman still has pinned to his Twitter feed, at the top, his

letter to *The Times*. I know it is, I think, the only one he has had published, Mr Speaker, (*Interjection by Hon. D A Feetham*) so perhaps that explains it.

550 The question then becomes, according to the hon. Gentleman, what is it that we should have been doing in the United Kingdom: should we be supporting the Withdrawal Agreement, given that the United Kingdom is leaving the European Union; or should we be arguing passionately for a referendum?

I think we all agree that the United Kingdom political debate at the moment is as convoluted and polluted as it ever has been in history. It is really toxic in a way that one could not imagine
555 that the mother of all parliaments and the mother of democracies would end up seeing the political debate. It is really quite nasty. Members on both sides of the argument are having to have police protection, so it is very polluted. I do not worry about that; I already have police protection. I am not saying it for that reason – and very good police protection it is too, (*Laughter*) – but the reason I say that is this: that if Gibraltar had said then, in November, we
560 must go for a referendum ... If that had been the position of the Government of Gibraltar, the government of the United Kingdom would likely have refused to engage with us. Even until two days ago, the United Kingdom government was taking the position that the Cameron government had taken – ‘We are not planning for anything other than to win the referendum’, and so therefore there was no planning for leaving – ‘We are not planning for an extension.’ You
565 cannot engage at a government-to-government level politically on that. You can engage with officials, which we have been engaging with on all matters, even before the referendum.

So, if the hon. Gentlemen were to be saying to our community that the Government should have taken a position – which I was free to take as a citizen and as a Member of Parliament but not as an executive – of defending in public that there should be another referendum at that
570 time, I tell him nobody would have listened to us. The debate in the United Kingdom then at an intergovernmental level between the government of the United Kingdom and the Government of Gibraltar, the government of the United Kingdom and the 27 governments of the remaining member states and the institutions of the EU, was about methodology for leaving only. There was a parliamentary debate in the United Kingdom at a different level and all parliamentarians
575 in the United Kingdom who are members of the all-party group, and indeed those who are not but who have front-bench responsibility, were spoken to directly by me before and after we came out in support of the Withdrawal Agreement because of its Gibraltar provisions, saying, ‘We want to remain but if we are leaving, this is the position that protects us.’

He needs to understand that. Anything else is really best encapsulated in the response that
580 the UK’s Attorney General gave to Jon Snow two days ago to allegations that Jon Snow put to him about how he was about to change his opinion. He might want to look up what it was that Mr Cox said to Jon Snow.

Finally, Mr Speaker, I will deal with the two questions that the hon. Gentleman has directly asked me.

585 The first is whether there is any indication that in the event of the United Kingdom seeking an extension, not a revocation, Spain might not seek to, he said, ‘kibosh’ any request for an extension by seeking its pound of flesh on Gibraltar, and would the United Kingdom resist that. Well, Mr Speaker, what Spain is going to do is not something I am going to crystal ball gaze. Spain is in the throes of a general election campaign. Spain has 50 years of form when it comes
590 to Gibraltar. We might all wish to see Spain behaving in a particular way, but Spain habitually acts in a way that none of us are ever pleased with.

What I will tell him is that we have had the discussions and I am very clear that the United Kingdom should defend Gibraltar in the event that Spain were to take any such position, has assured us that it will defend Gibraltar in respect of Spain taking such position, and when Spain
595 has taken similar positions this Prime Minister has defended Gibraltar. I sincerely hope that this will not come to pass, but in the event that it did the position will be that clear.

If there is the slightest hint that the United Kingdom government is going to cede anything sought by Spain in respect of Gibraltar which is detrimental to Gibraltar in the context of seeking

an extension, then the only thing that hon. Members will see on every channel on television in the United Kingdom is this Chief Minister of Gibraltar telling citizens of the United Kingdom and every parliamentarian and every member of the executive that the only satisfactory solution to that is for a revocation of Article 50, which can be unilateral and does not rely on any kibosh from Spain, and I would hope that all of us would agree that that is the right position to take.

Finally, Mr Speaker, he asked me whether the MoUs will fall by the wayside if there is no deal and was that also the position in respect of the Tax Treaty. The MoUs are connected to the protocol in the Withdrawal Agreement. The protocol in the Withdrawal Agreement is what connects us into all of the transitional periods and the continuation of rights for citizens etc., and the MoUs exist in that context. Without that context the MoUs cannot continue to exist.

There are ways of reaching political agreement so that if there is a car-crash Brexit – which none of us would like to see and hopefully the Commons will finally take off the table this evening – the parts of the MoUs which would benefit reciprocally Gibraltarians and other EU citizens, including Spaniards, might be able to continue to apply for a defined period, likely until December 2020, so that we could create a transitional period. That is not yet entirely finalised and I hope it is work which will no longer have to proceed because of the Commons taking the position that it has taken, although accidentally we could still find ourselves in that situation.

The Tax Treaty is different and I have expressed that already in the context of the public statements I have made in respect of the Tax Treaty. I am very pleased indeed with what we have achieved with the Tax Treaty. Hon. Members will have seen my public statements in that respect.

Spanish commentators are very displeased with what has been achieved by Gibraltar in the Tax Treaty. Indeed, some Spanish commentators are saying that Spain might want to consider now finally dropping its claim to Gibraltar as a result of what it has conceded in their interpretation in the Tax Treaty, and therefore it is not something that I want to see fall by the wayside; it is something that I hope will endure so that one of the most irritating myths that the Spanish have sold to their own people and then sought to ensure goes around the world, which is that we do not share information and we do not co-operate on tax matters, is completely busted by that Tax Treaty.

So that will endure, whatever the position in respect of the Withdrawal Agreement, or indeed even if there is no Brexit. A lot of the provisions in the Tax Treaty are already provided for in the context of the continued operation of EU law. They already apply. A lot of the exchange of information is already provided today to Spain and all other EU states under the existing EU provisions. And hon. Members might shake their heads but that is the provision: automatic exchanges of information between all member states.

So, hon. Members will, I think, if they do a genuine analysis... Whatever it is that they then say publicly is another matter and is a matter entirely for them and they will do their politics in the way they want to. I am very pleased that this Tax Treaty will endure, and if they do a genuine analysis they will see it is a good one for Gibraltar.

Mr Speaker: The Hon. Roy Clinton.

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

I have a couple of questions for the Chief Minister specifically in relation to the Tax Treaty, and I would like to start off by, in fact, agreeing with –

Hon. Chief Minister: Mr Speaker, a point of order.

Hon. R M Clinton: Yes, certainly.

Mr Speaker: The Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I am able to answer questions on the things I have said in my original Statement, not the things I have said afterwards. I am not able to answer detailed questions on the Tax Treaty; indeed, I do not think I am required to answer detailed questions on the Tax Treaty at this stage.

655 I will answer detailed questions on the Tax Treaty when we have the motion on the Tax Treaty. This Tax Treaty is a very technical treaty. The Financial Secretary is not with me this afternoon; he is the person whom I rely on for interpretation of sections of the Tax Treaty. So, if he is going to ask me detailed questions about the operation of the Tax Treaty, I invite him to do so in writing and I will endeavour to reply in detail. If he wants to ask me political questions
660 about the Tax Treaty I will try and deal with those, but the Tax Treaty is not before the House. My Statement about what happened in Parliament in the past 48 hours is before the House.

Mr Speaker: The Tax Treaty is not in the public domain because it has not yet been laid on the table. It is going to be laid. (*Interjection*) Well, it has not been laid on the table. The Chief
665 Minister is going to lay it on the table. He has already given notice of a motion, a motion which is couched in neutral terms and which will give the hon. Member every opportunity to raise whatever matter he wishes then. That will be the appropriate time and there is no need to anticipate the details of the Tax Treaty now.

670 **Hon. R M Clinton:** Mr Speaker, I am grateful for your guidance but I was not actually going to delve into the detail of the Tax Treaty; I was merely going to ask the Chief Minister two particular points in relation to the Statement he has already made about the Tax Treaty. I appreciate that there is a motion before the House, of which we have only got notice this afternoon, and I would of course put on the record that the Tax Treaty is, in fact, in the public
675 domain, having been published by the Government.

Mr Speaker: I apologise for my mistake. What I said was that it had not yet been laid on the table, even though I had noticed the fact that it was going to be laid.

680 **Hon. R M Clinton:** Thank you, Mr Speaker, we agree on that point.

What I was going to say to the Chief Minister was that I agree with him, in that the Tax Treaty is not, as he has corrected me in the past, a double tax treaty; it is a tax treaty but not a double tax treaty as people who work in the field of tax would call it.

My question to the Chief Minister is, in relation to the Tax Treaty, in a press release which he
685 issued saying he has obtained a commitment from the Spanish government that the effective implementation of this treaty will lead to Gibraltar being removed from the Spanish blacklist of tax haven jurisdictions in the future, I would like to know what form that commitment was in, especially given comments in *The New People* this week saying that if Spain does not remove us from the Tax Treaty then Gibraltar has reserved its position to exit this treaty. I would be
690 grateful for Chief Minister's thoughts on that particular matter, namely exactly what commitments have been received from the Spanish government; and what would he do if they do not remove us from the blacklist?

Mr Speaker, my second question is really about process, and that is: when does this treaty come into effect? My basic reading of it is that it is not in effect yet and there is a process to be
695 followed, and I would be grateful for the Chief Minister's thoughts as to what the process is and when he would expect this treaty to be in place. And, in terms of domestic legislation, does he intend to introduce that by regulation, or will there be primary legislation presented to this House?

Thank you, Mr Speaker.

700

Mr Speaker: The Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I am grateful for the hon. Gentleman understanding that I am not equipped to deal with detailed questions about the Tax Treaty, and I know that those detailed questions – because I have had extensive discussions with the Finance Centre Council, the accountants and lawyers amongst others – go to every letter and every word in the treaty because that is how they will be interpreted and that is how the treaty has been negotiated, and I now know a lot about the difference between ‘spend’ and ‘spent’, which is as important in tax matters as the difference between ‘issue’ and ‘issues’ when it comes to sovereignty. That comes from the hard work that has been done by the Financial Secretary, by the Commissioner of Income Tax, John Lester, and by Senior Crown Counsel Terence Rocca in respect of these negotiations, together with the rest of the negotiating team involving the Attorney General, the Deputy Chief Minister and me.

It is, therefore, exactly right to say that this is not a double taxation agreement, and when the hon. Gentleman has tried to ask me whether it was a double taxation agreement I have told him that it was not a double taxation agreement. It is an agreement by which each of the taxing authorities commit themselves to give unilateral double taxation relief. So, instead of being a double taxation agreement where that is set out, both parties say, ‘I will unilaterally give relief.’ That is to set in treaty stone what is happening at the moment but which could stop at any time that either of the taxing authorities were to decide not to continue to unilaterally give that relief.

That is not so relevant in the context of Gibraltar because we have a handful of people who live in Gibraltar and work in Spain and the tax rate which applies to them as individuals is higher in Spain than it is here, so there would be no additional tax due in Gibraltar. But it is, of course, hugely important in respect of Frontier workers from Spain to Gibraltar, whatever EU nationality they may be, because they come to Gibraltar, they work and are taxed in Gibraltar because the Gibraltar system of taxation is like the UK system of taxation, it taxes income at source and therefore we tax the earnings here. When those Frontier workers go across to Spain, they are then taxed on the difference between the tax rate that they would be subjected to if they were taxed only in Spain. To give a rough example, if a worker is subject to a rate of 25% tax in Gibraltar on his earnings – his or her earnings – he pays that tax, he goes to Spain, where he lives, and there, in Spain, he would have to pay 40% tax; he or she pays only 15% tax – that is to say the difference – because the Spanish authorities unilaterally give that relief. There is no right to that relief at the moment and the Spanish authorities could have said, ‘Well, you still have to pay 40% here, in which case the rate payable is 65% – and there have been instances of attempts to do that around the world, and indeed in Spain, and that will be very negative indeed for those who come to Gibraltar to work, and working in Gibraltar would then not be attractive. This creates a right to that unilateral relief, therefore maintaining the attraction of Gibraltar as a place to work.

Mr Speaker, the second point that the hon. Gentleman makes is what commitment we have from the Spanish government in respect of removal from blacklists, and he quotes there a weekly publication called *The New People*, which would make the former editor of *The New People*, Juan Carlos Perez – a close and loved friend of all of us on this side of the House – very pleased indeed, to hear that publication mentioned with such authority in this House by the hon. Member, as if things mentioned in *The New People* are said by Caesar on the mount. Well, he is absolutely right and it is not just in *The New People*. I think *The New People* is reflecting what the Government has said, and I have said it in my statements and it is in the short video that I was asked to prepare for the Government website. The terms of that reference of removal from the blacklist should emerge in the process of ratification. We know the language that is going to be used; we have agreed it. It should emerge in the process of ratification of the treaty in the Spanish parliament so that it is therefore reliable text and what it provides for will clearly be set out there.

I am quite happy to share with the hon. Gentleman the text of that commitment behind your Chair – I have it with me – but I do not think it is right that I should publish the text which we

755 have agreed should come from the Spanish authorities in that respect; they must be the ones to publish it and indeed it will not be effective until they use that terminology. For that reason, Mr Speaker, what I have reserved is the Government's right to terminate if they do not comply with the commitments that they have told us they are going to enter into.

760 Mr Speaker, the process of ratification of a treaty is a matter on which many dissertations could be written. In the United Kingdom there is one process; in Spain there is another process. In the United Kingdom an explanatory memorandum is prepared by the relevant Minister; in this case the Minister for Europe is laying the explanatory memorandum. The treaty is laid in the House. A period of time must pass – I think it is 14 days; I am not 100% clear whether it is 14 or 21 – after which effluxion of time the treaty is ratified subject to the ratification by the other state that is relevant. In Spain the parliamentary ratification process is not dissimilar. I think it is something that can be done after the election has been called, but it is not clear whether it can de facto happen, given the fractious nature of the majorities in the Spanish parliament that has been dissolved.

770 So, it is not clear whether we will have ratification pre 28th April or whether it will come after 28th April. In fact, it may not come if there is a different Spanish government that takes a different view. That is also possible, in which case you are not bound by it. And indeed, Mr Speaker, if a Spanish government goes around the world saying Gibraltar does not share tax information and they have got a treaty before their parliament to do so which they have not ratified, it makes their to date foolish and unfair position in relation to the information exchange and tax co-operation from Gibraltar even more impossible to believe because it would not happen because they have not ratified the treaty.

775 This information must always flow through gateways and taxpayers are entitled to confidentiality. There are European gateways through which information is already moving and if they want other information – or at least they want the same information but after we have left the European Union – then there needs to be a gateway for that, and that is what this treaty provides for.

I am sorry I cannot be more helpful on the process of ratification of a treaty under Spanish law, but it is not a subject I did a module on at university.

785 **Mr Speaker:** Any other questions? The Hon. Trevor Hammond.

Hon. T N Hammond: Mr Speaker, it is just for a couple of points of clarification on the Statement made by the Chief Minister.

790 I noted that the Chief Minister referenced the Tax Treaty as being between Gibraltar and Spain; however, the treaty itself says that it is an international agreement on taxation and protection of financial interests between the Kingdom of Spain and the United Kingdom of Great Britain and Northern Ireland regarding Gibraltar. I would like to understand better why the Chief Minister... and I am not disagreeing that maybe with the assent of the Gibraltar Government the treaty itself is between the United Kingdom and the Kingdom of Spain.

795 The second point is that the Chief Minister referenced earlier on the fact that all of the Memorandums of Understanding and indeed the Tax Treaty do not relinquish any rights or change the position of any parties with respect to the positions on sovereignty, jurisdiction and control, and I am very glad that is the case. However, certainly in the case of the Tax Treaty, and I believe in the case of the Protocol to the Memorandums, the word 'control' is missing. They refer to 'sovereignty' and 'jurisdiction' and omit 'control'. This was actually picked up by one of the local newspapers, edited by a member of a family of the Government. I would just like to understand again why the Chief Minister feels that he can insert 'control' at that point when 'control' is not actually specifically mentioned in either the Tax Treaty or, I believe, the Protocol to the Memorandums.

805 **Mr Speaker:** Chief Minister.

Hon. Chief Minister: Mr Speaker, the Prime Minister in the United Kingdom deals with as many points as are raised whenever she makes a statement, but I think she deals with a smaller percentage of Members opposite than I do. But it is a pleasure to have the opportunity to deal with the points that the Hon. Mr Hammond has made.

On social media Mr Hammond has said that the Government has made a huge concession in respect of the Tax Treaty, more than just a grain of sand, and then promptly gone on not to identify any of what he says the concessions are. If somebody had made something as important as a concession on sovereignty, jurisdiction or control, one would have thought it was an obvious thing that one would immediately have mentioned. But, of course, as there is no concession in respect to sovereignty, jurisdiction or control, I really welcome the opportunity that the hon. Member gives me to raise these issues in this House and address them – because there are no concessions whatsoever either in the Tax Treaty or anywhere else.

Let's be clear by starting with the title. This is an agreement between Gibraltar and Spain. Gibraltar, under the Constitution that *they* recommended in the referendum of 2006, is not able to execute international tax treaties. We are able, under letters of entrustment, to execute agreements like, for example, tax information exchange agreements, but not treaties. A treaty in respect of taxation, under Spanish law, has to be approved by the Spanish parliament because it alters the rights and obligations of individuals. It has to be elevated to the equivalent of Spanish law. This treaty, ratified, becomes Spanish law in respect of people who are subject to the Spanish tax net, and their rights in that respect and their obligations in that respect are governed by the treaty like their law. Their law is superior, but this is of the same standing as the law.

Under the Constitution that *they* recommended to us – they recall that the GSLP did not give a recommendation in respect of the Constitution and Mr Feetham is very proud of having been a member of that negotiating team – external relations remain with the United Kingdom. The signing of international tax treaties is a matter of external relations, but that does not mean that the agreement is between Her Majesty's Treasury and the Spanish Hacienda, vide the fact that the agreement is signed not by a UK Treasury Minister or a Spanish Treasury Minister, and indeed the agreement says – (*Interjection*) Oh, apparently this is a ridiculous statement, the hon. Gentleman says from a sedentary position, Mr Speaker. (*Interjection*) I know that they are sometimes shocked by the power of facts, but I will continue undeterred. And so this agreement is signed by the United Kingdom in that regard in respect of Gibraltar on behalf of Gibraltar, and it is exclusively in relation to the territory of Gibraltar, the tax authority of Gibraltar, and it creates a relationship between the tax authority of Gibraltar and the tax authority of Spain, the competent authority of Gibraltar and the competent authority of Spain.

So, I do not know how it is, Mr Speaker, that the hon. Gentleman has got it into his head that it is anything other than an agreement between Gibraltar and Spain, signed for Gibraltar by the United Kingdom. (*Interjection*) The hon. Gentleman says that is what is says: well, that is what it has to say, Mr Speaker, because it is the United Kingdom that is signing. It would have been weirder – or, indeed, to quote Alice in Wonderland, curiouiser, curiouiser and curiouiser – if it had been signed by a UK Minister, who is the only one who can sign an international treaty, and it said 'Government of Gibraltar', and would certainly have had huge constitutional objections to a document that said 'Government of Gibraltar' carrying a signature which is not the signature of an official of the Government of Gibraltar or a Minister of the Government of Gibraltar. It would be nonsensical, and so the hon. Gentlemen have to test the propositions that they put before they put them. And so, the agreement is properly entered into as an agreement between Gibraltar and Spain.

Now, Mr Speaker, the hon. Gentleman then says, 'What is it that you have conceded in respect of control and why didn't you therefore have the word "control" in the treaty?' Well, Mr Speaker, it is very simple to understand. 'Sovereignty, jurisdiction and control' is a political term of art. It is an attempt, using three words, to cover every iota of the territory and jurisdiction and sovereignty of Gibraltar and the control over it – coined, we on this side thought appropriately, by the former Chief Minister, dealing with Spanish incursions into our territorial

waters. Sovereignty, jurisdiction and control is relevant to everything, but it is more relevant in places where others might seek to act in control because they are able to pretend to – like, for example, in waters – than it is, in respect of, in the Upper Galleries, for example. So, ‘sovereignty, jurisdiction and control’ is a political term.

In a tax treaty, control is not in play in any way, and so what would you say if you put the word ‘control’ in the Tax Treaty? You would not put it in the treaty, is what I am saying to him. It is a political term of art and therefore it fits in a statement about the treaty but it does not fit in the treaty. In other words, go to any other tax treaty and find the word ‘control’ when it comes to sovereignty, jurisdiction or control in the context of sovereignty and see if you find it. You will not find it. You will find the word ‘control’ in respect of control of companies – is an individual in control of a company, or isn’t he? – because that could determine whether a company is subject to taxation or not.

But it is, for the hon. Gentleman to take the point, frankly, in my view, wrong. I can fully understand why a newspaper reporting on it would take the point. A newspaper reporting on it says, ‘Look, the statement says one thing and the treaty doesn’t contain the third word.’ That is fair enough. It is a newspaper reporting the facts. That is what newspapers do. They reflect the facts for readers to make up their minds and that is why we have an objective, fair and free press in Gibraltar to do that. Hon. Members point out to the relationship between the editor of that newspaper and the Deputy Chief Minister in a way that I hope denudes them now of the opportunity of ever implying the opposite that the relationship affords us in the context of that newspaper, because when they see things in that newspaper that they do not like they blame it on the fact that somehow there is a relationship with the Deputy Chief Minister, and when they see things in that newspaper that they like they giggle because they say there is a relationship with the Deputy Chief Minister. Well, Mr Speaker, this is what a free and fair press does and it is right that it should do it. But for the hon. Member, as a representative of the public representing the Social Democrats in this House, to say, ‘Aha! I’ve found a major point,’ because the word ‘control’ is not there simply betrays the fact that he is, in some respects, simply more heat than light, as he has been on Facebook by saying that there are concessions here and then not identifying any one of them.

So the word ‘control’ in a tax treaty is used only in respect of whether a company is brought into the tax net of a nation if it is or is not controlled by individuals in a particular place, if an asset is controlled etc., in order to bring things into a tax net – not in the context of the political aspects of one state taking control over the other state; none whatsoever.

But let me say one more thing, Mr Speaker. If he were right about his first point, his second point would be even more ridiculous. In other words, if this was a treaty between the United Kingdom and Spain, what logic is there to say that the United Kingdom has to protect itself from a grab for control by Spain of its exchequer? Spain is not making any claims on the British exchequer. So, either his first analysis is entirely flawed and then he can make a second analysis; or his first analysis is right and his second analysis does not follow.

I know that is probably beyond them, because the Hon. Mr Phillips has started the process of throwing toy out of pram, which I look forward to seeing the completion of live on television tonight.

Mr Speaker: Is there any other question from Members of the Opposition?

Right, then, I will call upon the Chief Minister to move the suspension of Standing Orders.

Order of the Day

PAPERS TO BE LAID

905 **Chief Minister (Hon. F R Picardo):** (vi) Mr Speaker, I think what I need to do now is to lay on the table, so I will say that I have the honour to lay on the table the International Agreement on Taxation and the Protection of Financial Interests between the Kingdom of Spain and the United Kingdom of Great Britain and Northern Ireland regarding Gibraltar.

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

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

915 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):** Mr Speaker, I have the honour to lay on the table a Command Paper on a draft Bill to make provision for the prohibition of dealing in ivory, save for in certain circumstances, and for connected purposes.

Mr Speaker: Ordered to lie.

Standing Order 7(1) suspended to proceed with Government Bills

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

Chief Minister (Hon. F R Picardo): Mr Speaker, one of the benefits of Brexit coming to an end is, I hope, fewer statements and fewer suspensions of Standing Orders.

I beg to move, under Standing order 7(3), to suspend Standing Order 7(1) in order to proceed with Government Bills.

925

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

BILLS

FIRST AND SECOND READING

Energy Drinks (Prohibition) Bill 2019 – First Reading approved

Clerk: (ix) Bills for First and Second Reading.

A Bill for an Act to make provision for offences relating to the sale of energy drinks, and to provide for the enforcement of those offences, and for connected purposes.

930 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 make provision for offences relating to the sale of energy drinks,

and to provide for the enforcement of those offences, and for connected purposes be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to make provision for offences relating to the sale of energy drinks, and to provide for the enforcement of those offences, and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Energy Drinks (Prohibition) Act.

**Energy Drinks (Prohibition) Bill 2019 –
Second Reading approved**

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I beg to move that the Bill for the Energy Drinks (Prohibition) Act be read a second time.

My colleague the Hon. Dr John Cortes and I, on behalf of Government, presented a Command Paper to Parliament on 10th December 2018 on the prohibition of the sale of energy drinks to persons under 16 years of age.

The established health risks of energy drinks consumption are primarily due to the high caffeine and sugar content. A 250ml can of a popular brand of energy drink contains 80ml of caffeine and 27.5g, which is nearly seven teaspoons, of sugar, whilst a 500ml can of another popular brand contains 160ml of caffeine but 55g, or 13 teaspoons, of sugar.

The negative consequences of caffeine consumption among children and adolescents include effects on the neurological and cardiovascular systems. High consumption of caffeine reduces insulin sensitivity and may lead to the development of type 2 diabetes. Caffeine overdose can cause significant neuropsychiatric and cardiovascular effects such as palpitations, hypertension, urysis, central nervous system stimulation, nausea, vomiting, marked hypocalcaemia, metabolic acidosis and convulsions. Despite their association with sport, high intake of energy drinks may cause obesity due to the high sugar content. Dental cavities and smear layer erosion causing dentine hypersensitivity can result from the acidic pH and high sugar content of energy drinks. Energy drinks can also cause physical dependence and addiction and these clinical states will follow children and adolescents into adulthood. Other behavioural outcomes include sensation seeking and problems with behaviour modification and cognitive capabilities in adolescence.

Government values its worthy partnership with the local trailblazer child public health programme CHAMP, which has been championing healthy living courses for children and families since its inception in April 2018. CHAMP seeks to help make the right choices the easy choices for the local community and has advised the Government on this important issue of limiting the sale of energy drinks to the proposed cohorts of Gibraltar's population as set out in the Bill.

There has been a consistent call from the lead scientific and public health researchers in this field for restrictions to be put in place to limit sales of energy drinks and this House will demonstrate leadership, courage and foresight to implement, even ahead of the UK, internationally validated public health recommendations. The House once again, therefore, will clearly affirm a commitment to continue to lead the people of Gibraltar into a healthier future and healthier lifestyles.

The Bill introduces offences relating to the sale of energy drinks and provides for the enforcement of those offences.

Clause 4 defines 'energy drink' as any liquid intended for human consumption, other than tea or coffee, that contains over 150ml of caffeine per litre.

Clause 4(2) provides for the amendment of said definition in the event that the Minister for Health considers this necessary due, for example, to changes in scientific opinion on the said level.

Clause 5 creates the offence of selling energy drinks to persons under the age of 16, with any person guilty of doing so facing a fine at level 3, which is £1,000, on the standard scale.

Clause 5(2) provides a defence of reasonable belief in the buyer's age and 5(3) for persons charged as a result of acts of others should they demonstrate that they exercised due diligence to avoid committing the offence.

Clause 6 requires the display of a notice in premises where energy drinks are sold, specifying that it is illegal to sell energy drinks to anyone under the age of 16. Anyone, including a body corporate, not complying with this notice shall, pursuant to clause 7, be liable to a fine up to level 4 on the standard scale, which is £400.

Lastly, clause 8 prohibits the sale of energy drinks from vending machines and renders the owner of the machine, its operator, the owner of the relevant premises and its occupier, including bodies corporate, liable to a fine up to level 3 on the standard scale.

Mr Speaker, whereas I am not prone to single out any one individual in discussing the general merits and principles of a Bill, I feel I must publicly thank and highlight for commendation Dr Annie Dai, who is our lead paediatrician in our GHA. I have personally witnessed Annie's unstinting dedication, commitment and contagious zeal to improve the health and lives of the children and young people of Gibraltar. Annie has been, is and I suspect will always be a constant champion of children's best interests and I am sure the whole House will wish to join me in acknowledging and thanking Annie for her care of our children's health and well-being.

Mr Speaker, it is therefore with great personal pleasure and satisfaction that, on behalf of my colleague Dr John Cortes and I, 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? Yes, the Hon. Lawrence Llamas.

Hon. L F Llamas: Mr Speaker, on this side of the House we shall be supporting the Bill.

I did bring this issue into the House back in September 2017 as a result of what I experienced and the representations I got from parents, in particular, who are noticing an increase in dependency, from young children and especially teenagers who are attending our schools, on energy drinks, and I appreciate that the Health Minister has taken this on board. I did discuss this with him back in June 2017 privately.

No doubt this is a step in the right direction. As the Health Minister has already said, we are actually doing something sooner than what is being done in the UK, as it is still in debate stage in the UK as they do look to regulate between 16- and 18-year-olds.

Thank you, Mr Speaker.

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

Hon. P J Phillips: Mr Speaker, just very shortly, can the Minister clarify one thing for me in relation to the definition of 'energy drink' and in relation to 'liquid' as well? The Hon. the Minister will obviously be aware of the term 'pre-workout drinks'. In fact, they come in very small packs. Some Members opposite may not be used to them but I am sure he and I are familiar with the term 'pre-workout drinks', which include very small capsules of highly ... contain caffeine. Would the law in this case apply to those types of drinks that are available in many health stores in Gibraltar? Also, would it apply to the gels that can be available, because they would not fall within the definition of 'liquid'? It just occurred to me now, by reading the contents of this Bill, that they may or may not be captured, depending on his answer.

1030 **Mr Speaker:** Is there any other contribution before I ask the Minister to reply? The Hon. Neil Costa.

1035 **Hon. N F Costa:** Mr Speaker, in the first place, to address the Hon. Mr Llamas – and of course, to thank the hon. Members of the Opposition for indicating their support for this Bill – he said that we have, as I noted in my speech, got to this stage even before the United Kingdom, but I think I would like to point out that this Government has been on the vanguard of changes to the legislation ahead of the United Kingdom not just in this respect but also in respect of revenge porn and upskirting, and in respect, of course, as well, of civil partnerships. So we do try as hard as we can to stay ahead of the curve where we think the matters are important.

1040 In response to the Hon. the Leader the Opposition's comments, if the pre workout were to fit the definition of the Bill then the answer is yes, of course, so long as it is the sale of such a product to somebody who is less than 16 years of age. If the content does fit the definition of the Bill, yes.

1045 **Mr Speaker:** I now put the question, which is that a Bill for an Act to make provision for offences relating to the sale of energy drinks, and to provide for the enforcement of those offences, and for connected purposes be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

1050 **Clerk:** The Energy Drinks (Prohibition) Act.

**Energy Drinks (Prohibition) Bill 2019 –
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.

1055 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of this Bill be taken today? (**Members:** Aye.)

**Proceeds of Crime and Terrorism (Amendment) Bill 2019 –
First Reading approved**

Clerk: A Bill for an Act to amend the Proceeds of Crime Act 2015, the Terrorism Act 2018 and for connected purposes. The Hon. the Minister for Health, Care and Justice.

1060 **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 Proceeds of Crime Act 2015, the Terrorism Act 2018 and for connected purposes be read a first time.

1065 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Proceeds of Crime Act 2015, the Terrorism Act 2018 and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Proceeds of Crime and Terrorism (Amendment) Act 2019.

**Proceeds of Crime and Terrorism (Amendment) Bill 2019 –
Second Reading approved**

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I beg to give notice that the Bill for the Proceeds of Crime and Terrorism (Amendment) Act 2019 be read a second time.

1070 Even though it has not been my practice to speak on Bills which I present to this House on a provision by provision basis, I think that on this occasion such an approach is warranted.

The House will be aware that the Bill has been subject of a certification by the Hon. the Chief Minister pursuant to section 35(3) of the Constitution, such certification meaning that the Bill is too urgent to permit the usual delay required between publication and being proceeded with.

1075 The Bill is also unusual in that it contains a number of miscellaneous amendments to different pieces of legislation. It is for these reasons, Mr Speaker, that I am of the opinion that the Bill would benefit from a more detailed examination from me than would be usual in simply speaking to the merits of the Bill generally.

1080 First of all, some general background as to why the Bill is urgent and why it is needed. The Bill makes various amendments to our legislation, mainly in the areas of the proceeds of crime, terrorist financing and terrorism. Most of these amendments may be split into two main categories. The first category relates to amendments that correct mainly typographical errors that have been spotted in these pieces of legislation. The second category concerns amendments that clarify provisions of our legislation further to preparations that are being undertaken by stakeholders – which include the GCID, the Gibraltar Financial Intelligence Unit (GFIU), the Office of Advisory Counsel, the Gaming Commissioner, the Office of Criminal Prosecutions and Litigation, the Office of Parliamentary Counsel, the Office of Fair Trading and the Moneyval Co-ordinator, amongst others – for both Brexit and the visit next month by the Moneyval evaluation team.

1090 Moneyval is the committee of experts on the evaluation of anti-money laundering measures and the financing of terrorism and of the Council of Europe, with 47 member states reporting directly to its principal organ, the Committee of Ministers of the Council of Europe. The task of Moneyval is assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as making recommendations to national authorities in respect of necessary improvements to their systems.

1100 Gibraltar has previously been evaluated against international standards in the field of money laundering and terrorist financing. This was back in 2006 and undertaken by the International Monetary Fund. Gibraltar did very well against the standards as they stood then, but standards have moved on considerably. When the IMF considered that Gibraltar did not, because of its size, present a systemic risk to the international financial system, we were left without a mechanism by which we could prove our adherence to international standards. After some 12 years of trying to join Moneyval in order to be peer reviewed, we finally managed to be admitted and this evaluation, using the fifth round evaluation methodology which is known as the toughest regional style body of the Financial Action Task Force, is a daunting one but not one from which Gibraltar may shy away from.

1105 It is of vital importance that Gibraltar continues to be seen fully compliant with such international standards, not least because one of our biggest selling points is our reputation, a reputation we have worked hard to create and must maintain.

1110 Mr Speaker, moving onto the provisions of the Bill itself, the amendments contained in clauses 3(2) to (9) and (11) amend sections of the Proceeds of Crime Act 2015 which set out the manner in which the Gibraltar Financial Intelligence Unit, (GFIU), interacts with other financial intelligence units around the world. The current legislative provisions have to date focused specifically on such interactions where the other financial intelligence unit is based in a member state of the European Union or, in a few instances, a member of the Egmont Group. The Act has

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been silent with respect to the manner in which interactions with other financial intelligence units are to be undertaken.

Mr Speaker, I here make a small incision to note that the 'Egmont Group' refers to a united body of 159 financial intelligence units. The Egmont Group provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing. The changes to the law now expressly set out the procedures to be followed by the GFIU when it receives disclosures that concern states or territories outside Gibraltar. It also sets out what criteria it should follow when (a) requesting further information on entities outside Gibraltar, or (b) it receives a request from a non-EU financial intelligence unit for the dissemination of the information or document by that financial intelligence unit to a competent authority, agency or department within the state or authority of the financial intelligence unit. In such cases, the dissemination would be subject to such restrictions and conditions for the use of that information or document as the GFIU deems appropriate and reasonable. This ensures that it is clear on the face of our legislation, as well as in practice, that the GFIU may not only share intelligence it has with other financial intelligence units around the world so as to assist in combating money laundering and terrorism, but also that should the intelligence be required by a non-financial intelligence unit in that other jurisdiction, there is a procedure set out as to how such requests should be handled.

Mr Speaker, the amendment in clause 2(10) to section 1T of the Proceeds of Crime Act is one where there is, as it says in the text to be inserted, merely 'for the avoidance of doubt' so inserted. There has never been any doubt in the minds of the Government, law enforcement or stakeholders that the words 'independent legal professional' include but are not limited to a barrister, solicitor or other lawyer, and the legislation has always been construed and worked on that basis. However, I am advised and accept that on a belt-and-braces approach it is best to spell this out on the face of the Act as there appears to be a contrary view, which we do not accept, that this wording does not include lawyers but rather other professionals in the legal sphere. It is for that reason alone, Mr Speaker, that the amendment is included.

The amendments in clause 3(12) correct erroneous cross references in the Act.

The amendments in clause 3(13) are aimed at clarifying the situations in which relevant persons subject to the Proceeds of Crime Act procedures enter into business relationships with customers. In particular, the amendments make it clear that a relationship where the relevant person is asked to form a company for its customer is to be treated as a business relationship for the purposes of the Act, whether or not the formation of the company is the only transaction carried out for that customer.

Clause 3(13) also addresses when and with whom estate agents are to be treated as entering into business relationships with persons.

The amendment to section 11 of the Proceeds of Crime Act contained in clause 3(14) again arises from the stocktake of that Act undertaken by stakeholders in the run up to the Moneyval evaluation.

Section 13 of the Act deals with the application of due diligence measures and, in particular, when relevant businesses need to apply them. The amendment is designed to clarify the section. This again is a clarification of our legislation for the purposes of the Moneyval evaluation rather than a change of substance.

Clause 3(15) amends section 15 of the Proceeds of Crime Act so as to include financial institutions within its remit with regard to the criteria regarding correspondent banking relationships.

The amendment in clause 3(16) is to correct a cross reference in the Act.

Clause 3(17) amends the list in section 33(1) of the Proceeds of Crime Act of sections which include requirements whose breach is a criminal offence. The amended list reflects Moneyval requirements.

The amendment in clause 3(18) adds a specific regulation-making power to the Proceeds of Crime Act so as to allow the Minister with responsibility for Finance to make, amend or replace

regulations made under this Act regarding a register of ultimate beneficial owners within Gibraltar. This power would allow for the Minister to make the register public in accordance with the relevant international standards or obligations and make further provision regarding how such public access is granted.

Further powers to make subordinate legislation are included by means of the amendments included in clause 3(19), which inserts new sections 184A to 184D into the Proceeds of Crime Act. These powers will allow for subordinate legislation to be made so as to allow our authorities to deal with requests and court orders that are received from outside Gibraltar where such requests and orders are made in furtherance of investigations and proceedings regarding the proceeds of crime.

Furthermore, Mr Speaker, there is also the power to make subordinate legislation allowing for assistance in external investigations into the proceeds of crime and money laundering. This is something that, to a certain extent, is possible under other legislation but not catered for specifically under the Proceeds of Crime Act.

Mr Speaker, our authorities already have the power under section 179 of the Proceeds of Crime Act to make such requests for assistance in civil proceeds of crime investigations to overseas jurisdictions. They also have similar powers under other mutual legal assistance legislation to make requests relating to criminal investigations. These amendments therefore expand on the general power to make subordinate legislation and follow similar provision in the United Kingdom's Proceeds of Crime Act 2002. It is arguable that such a power is already a part of the general regulation-making power contained in section 184 of the Act; however, I am also advised that, rather than rely on such a general power, it would be preferable to have specific provisions included on the face of the Act in order to avoid all doubt.

I am also advised that such provisions are expected by Moneyval and the Government's intention is, should this provision become law, to make subordinate legislation closely modelled on the United Kingdom's similar legislation in time for the Moneyval evaluation.

Clause 3(20) sets out the jurisdiction of the Office of Fair Trading under the Proceeds of Crime Act by setting out on the face of the Act that they are the supervisory body for real estate agents and dealers in high-value goods. The amendment also corrects the manner in which the Office is referred to in the schedule.

The final amendment in clause 3 amends regulation 11 of the Supervisory Bodies (Powers Etc.) Regulations 2017. This is another amendment which is included simply for the avoidance of all doubt and which sets in legislation the fact that a supervisory body may issue or promulgate such rules, codes or guidelines in respect of the laws concerning the prevention of the laundering of the proceeds of crime or terrorist financing as it considers relevant.

Mr Speaker, clause 4 contains amendments to the Terrorism Act.

The amendments in clauses 4(2), (8) and (10) articulate typographical errors, including incorrect cross references.

The amendments in clauses 4(3) and (4)(b) reflect changes in the structure to the GFIU, allowing the head of the unit to authorise specialist staff, who may not be police officers or customs officers, to undertake specific duties under the Act in relation to the disclosure of information and the making of arrangements with prior consent.

Clause 4(4)(a) amends the notice period in section 43(3) of the Terrorism Act from seven days to 14 days. This particular notice period is the amount of time that needs to elapse after a person makes a disclosure to an authorised officer of a suspicion or belief that the money or other property relating to a particular transaction or arrangement is terrorist property and is being treated as having the authorised officer's consent to proceed unless consent is refused by them. This amendment is made at the request of the GFIU and reflects similar provisions in section 4A of the Proceeds of Crime Act, thus providing clarity by having the same time limits for similar actions in both Acts.

The amendments in clauses 4, 5 and 6 are for future-proofing purposes. One adds the words ' , the United Kingdom, and Gibraltar' after 'Member State' to ensure the provision will still work in a post-Brexit landscape.

The other clause, 4(6), adds the usual form of words to the citation of a European instrument to ensure the most up-to-date version of that instrument is referred to.

The amendment in clause 4(7) simply rewords subsection 96(1), as the current wording is not entirely clear.

The final amendment to the Terrorism Act 2018 is to Schedule 2 to the Act, where a new definition of 'gambling services' is included and tied to the definition of the same in the Proceeds of Crime Act.

The final two amendments, Mr Speaker, are to the Crimes Act 2011 and are again the result of stakeholders comparing our legislation to the Moneyval requirements.

The usual position in our criminal law under section 22 of the Crimes Act is that it is an offence in most cases to attempt criminal behaviour and that this carries the same penalty as committing the behaviour itself. However, there are exceptions to this. The current position is that it is not an offence to attempt to commit an offence under sections 35 to 39 of the Terrorism Act. It is also not currently an offence to attempt to aid, abet, counsel, procure or suborn the commission of an offence. The amendments to the Crimes Act exclude certain offences under the Terrorism Act from the list in section 22 of offences the attempting of which are not actionable. I am informed that Moneyval expects such behaviour to be a criminal offence. It is on this basis that these amendments are proposed.

Mr Speaker, I would like to thank the Hon. Mr Feetham, with whom I have spoken during the course of this week, for indicating that the Opposition will be supporting this Bill.

Mr Speaker, I commend the Bill to the House.

Mr Speaker: I confirm that I have received notification from the Chief Minister regarding the urgency of this Bill.

Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? Does any Minister wish to contribute?

I therefore put the question, which is that a Bill for an Act to amend the Proceeds of Crime Act 2015, the Terrorism Act 2018 and for connected purposes be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Proceeds of Crime and Terrorism (Amendment) Act 2019.

Proceeds of Crime and Terrorism (Amendment) Bill 2019 – 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 this Bill be taken today? (**Members:** Aye.)

COMMITTEE STAGE AND THIRD READING

Clerk: Committee Stage and Third Reading. The Hon. the Chief Minister.

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, namely the Energy Drinks (Prohibition) Bill and the Proceeds of Crime and Terrorism (Amendment) Bill 2019.

In Committee of the whole Parliament

**Energy Drinks (Prohibition) Bill 2019 –
Clauses considered and approved**

1265 **Clerk:** A Bill for an Act to make provision for offences relating to the sale of energy drinks, and to provide for the enforcement of those offences, and for connected purposes.
Clauses 1 to 8.

Mr Chairman: Stand part of the Bill.

1270 **Hon. E J Reyes:** Mr Chairman, can I ask perhaps a technical thing on clause 1? It says:

This Act may be cited as the Energy Drinks (Prohibition) Act.

In others, it actually lists the year. Should this one not have '2019' written on it?

Minister for Health, Care and Justice (Hon. N F Costa): Yes, Mr Chairman, I agree with Mr Reyes.

1275 **Clerk:** Clause 1 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clauses 2 to 8.

1280 **Mr Chairman:** Stand part of the Bill.

Clerk: The long title.

1285 **Mr Chairman:** Stands part of the Bill.

**Proceeds of Crime and Terrorism (Amendment) Bill 2019 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Proceeds of Crime Act 2015, the Terrorism Act 2018 and for connected purposes
Clauses 1 to 5.

1290 **Mr Chairman:** Stand part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Energy Drinks (Prohibition) Bill 2019 –
Proceeds of Crime and Terrorism (Amendment) Bill 2019
Third Reading approved: Bills passed**

1295 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the Energy Drinks (Prohibition) Bill 2019, and the Proceeds of Crime and Terrorism (Amendment) Bill 2019 have been considered in committee and agreed to without amendments, and I now move that they be read a third time and passed.

1300 **Mr Speaker:** I now put the question, which is that the Energy Drinks (Prohibition) Bill 2019 and the Proceeds of Crime and Terrorism (Amendment) Bill 2019 be read a third time and carried. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: We go back to Bills for First and Second Reading.

1305 **Hon. Chief Minister:** Mr Speaker, I move that the House should now adjourn until Thursday, 21st March at 3 p.m.

1310 Mr Speaker, hon. Members should know that I expect to potentially have to deal with other legislation on that day. I think we all understand that the events of tonight could determine what we also need to deal with on Thursday next week. Indeed, events before Wednesday of next week should at least give us an element of clarity, based on the motion that was put last night, which is being voted on in the Commons today subject to whatever amendment may prevail or not prevail, whether or not the person in whose name the motion is standing decides finally to vote in favour of it or not, depending on how it has been amended. All of that imbroglio we hope will have cleared a little by the time we meet again next Thursday.

1315 **Mr Speaker:** The House will now adjourn to next Thursday, 21st March at three in the afternoon.

The House adjourned at 5.09 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.04 p.m. – 4.25 p.m.

Gibraltar, Thursday, 21st March 2019

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The Gibraltar Parliament

The Parliament met at 3.04 p.m.

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

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

Condolences to the people of New Zealand

Clerk: Meeting of Parliament, Thursday, 21st March 2019.

5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, before the Parliament commences its deliberations this afternoon, as it is the first time we sit since the massacre we saw in New Zealand, of innocent people in their place of worship, I think we will all want to reflect our condolences to the people of New Zealand, in particular the Muslim community of New Zealand, and I would invite the House to reflect those condolences by a minute's silence.

The House observed a minute's silence.

Congratulations to Jewish community on Purim

10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, on a happier note, before I continue with the Government's business today, I note that it is Purim, a Jewish feast. We have a Jewish Member in this House, many important members of our community are Jewish and an important part of our community is the Jewish community, so I extend to all of them the congratulations of Purim. *(Banging on desks)*

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

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

**EU withdrawal developments –
Statement by the Chief Minister**

Mr Speaker: The Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, last night the Prime Minister of the United Kingdom addressed the nation about the Brexit options facing the UK. With eight days to go, the options are becoming more and more limited and starker and starker.

25 The options bear little similarity – if I may say so, I think on behalf of all Members of the House – to the false prospectus that was presented to the British public by the Leave campaign at the time of the referendum in 2016. The land of milk and honey which was presented to the voters has not materialised. We all knew it would not materialise. As all hon. Members of this House knew, the options that the EU were going to be prepared to put on the table were always going to be those that are now available. The options that work for the EU on the departure of
30 the United Kingdom must rightly, from the point of view of the EU, protect the integrity of the single market and the certainty of EU law.

Mr Speaker, one of the greatest unfairnesses I hear is the criticism of the UK's negotiating team that have agreed the Withdrawal Agreement. That team, led by Oliver Robbins, has done a magnificent job for Britain and for Gibraltar and history will reflect that. The same is true of the
35 Gibraltar officials who have negotiated or supported us in the negotiations for Gibraltar. In fact, as we all know and agree, the best trading relationship, the best deal that can be secured with the EU is clearly, of course, continued membership of the United Kingdom and, through the United Kingdom, for Gibraltar. We all in this House agree on that.

But let's be clear: the UK voted, in a flawed referendum, to leave the EU. The UK, in a general
40 election held thereafter, voted majoritarily for parties that committed to honour that vote to leave the EU. The Parliament then voted to activate the Article 50 notification. And things have now moved on even further. The same Parliament has now voted to rule out a no-deal Brexit, so the net effect of that is that the UK is now in a situation where its Parliament either votes for the Prime Minister's deal or seeks to negotiate a different one via an extension of membership. That
45 extension of membership can only happen if there is an agreement with the EU. The EU has made clear now that it will only countenance extension for a good reason, not to keep up the paralysis and the pain of the Brexit negotiations.

Mr Speaker, for us, the position is particularly clear: we voted to remain and we want to remain with the United Kingdom, but if that option is gone and leaving is the only option we will want to leave in a managed way with a deal. That deal is the Withdrawal Agreement. If the UK
50 does not agree a Withdrawal Agreement next week – and that must mean *the* Withdrawal Agreement before the Parliament – and if it cannot agree an extension with the EU on terms that are acceptable to both the United Kingdom and the EU, then the only way to honour the vote of Parliament to avoid a no-deal Brexit is to revoke the Article 50 notification. I said as
55 much last week in this House and I have been saying so since last year. Even if a person is a Brexiteer, other than a no-deal zealot, then revocation is still the best way to deliver a managed Brexit if there is no agreed extension.

This House will recall that in March 2017 the EU pushed the UK to give the Article 50 notification by saying it would not negotiate the withdrawal, let alone the future relationship,
60 until the notice was received. Well, having negotiated with them for the past two years, the EU's cards are all on the table. By revoking the Article 50 notice we will, even if we go back with a further notice in future, take back control of the negotiations. It will allow the UK to come to its collective senses one way or the other: to see the Withdrawal Agreement is good and support it as the managed way out of the EU; to see the Withdrawal Agreement is bad and plan how to
65 renegotiate it; to see that leaving is a bad idea and forget about it; or to put the Withdrawal Agreement or other options to a new referendum – although let's be clear a new referendum is just a new procedure, a new role of the dice, not a new destination. But through the mechanism

of the revocation, if MPs do not support the Prime Minister's Withdrawal Agreement, the UK can unilaterally take back control of the process of leaving the European Union. It is now the only unilateral option left to the United Kingdom. And that works for every shade of Remain or Brexit opinion, except for the minority no-deal or WTO zealots that I referred to earlier.

Mr Speaker, it is also important that we do not overhyperbolise any argument with one week to go before our departure. Never has it been truer that a week is a long time in politics. So I would say to everyone watching our proceedings: even leaving without a deal is not an existential crisis for Gibraltar. Yes, it is not our preferred option, but it will be worse for the UK and for the EU than it will be for us. The sun will rise next Saturday even if we have left the EU without a deal, because in Gibraltar the Government has done its job. We are ready to leave with or without the Withdrawal Agreement, for an extension, for a revocation or for a new referendum. In every one of those scenarios, we have protected Gibraltar's position or planned how we will react in the best interests of Gibraltar and its people. The unrelenting hard work that we have done in the past three years is paying off now. As Gibraltar can see, we have covered all bases going forward. Whichever way the UK Parliament and the Prime Minister now finally decide to go, whatever extension the EU may or may not agree, we have a route map forward for Gibraltar. That was our key job. It is what we have successfully done.

I want to say something about this House also, Mr Speaker. We have many disagreements in this place, it is right and natural that we should, but we have done our jobs here also, even if it is just by dint of the House allowing us to do our jobs in the executive because of our inbuilt majority. Via the Brexit Select Committee, via the Government's negotiating team and with the support of our community and our businesses, we have secured the future, whichever of the options develops after the end of next week. Whatever happens next week, we know what we will do and we will continue to prosper and grow this community. (**A Member:** Hear, hear.) (*Banging on desks*)

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

Hon. E J Phillips: Mr Speaker, the political theatre being played out 1,091 miles away from our shores continues to wreak havoc and shake confidence in Britain. We on this side of the House would welcome, of course, an extension to exit day.

The Prime Minister's very public reprimand of UK parliamentarians last night showed a one-track, single-minded vision for the future of the United Kingdom which 96% of our people rejected conclusively in the 2016 referendum – a fake prospectus, as referred to by the Chief Minister, and a flawed referendum I think the Chief Minister referred to.

Our position on Europe could not be more different than the UK. None of us in this House or outside this House desired the outcome. All of the peoples of the British family have the right to a thoughtful and careful leader in the form of the Prime Minister at this time, but putting the same bad deal before the Commons time after time without putting it to the people is wrong. The Prime Minister's disregard for the United Kingdom's Members of Parliament in the context of putting again a bad deal before the Commons is equal to our Government's circumventing parliamentary scrutiny of the agreements the Government has negotiated on our behalf.

In the meantime, today the Chief Minister had an interview, as is known, with Sky News, in which he demonstrated another shift in the Government's position. It will be recalled that the Chief Minister described the Prime Minister's deal in the United Kingdom as good for the UK and therefore good for Gibraltar. Now the Chief Minister is saying it is a wrong deal for the UK and not the best deal for Gibraltar. Mr Speaker, which is it?

All outcomes and the outcomes described by the Chief Minister in his address are still on the table, as are the risks, and we wait to hear from a Parliament 1,091 miles away as to how our future will be shaped. All of us are trying to do what we can to reassure members of our community of the outcome, which is increasingly, as the Chief Minister pointed out, uncertain; but we must hold firm as we approach the wire and hold a collective breath.

120 And whilst our community reserves its judgement on the Government's handling of our negotiations in the context of a bad deal, we have to expect that our Government has secured all of our objectives and prepared us for all risks. We say 'expect', Mr Speaker, because the Opposition has, we repeat, had no meaningful participation in this process. We repeat that should the Government call upon us to assist in any way as the clock is run down on this most important moment in our history, we will do whatever we can in the national interest to protect our community.

Hon. Chief Minister: Well, Mr Speaker, given that the only response that is allowed to a Government Statement is the asking of questions for clarification, I am going to take the hon. Gentleman's lack of a questioning inflection as just an inability to reflect the grammar of what he was reading, and I will take a lot of what he has said to be questions, which I will deal with now and clarify.

130 Mr Speaker, absolutely it is true that what we are seeing in the United Kingdom would appear not to be good for business confidence; it would appear also not to be good for citizens' confidence. It is described by the hon. Gentleman as political theatre. Well, it is a matter for him. This is probably not anywhere near theatre; this is far too close to reality, and that is what concerns us all.

135 But it is also true that those of us who have argued for Remain as the best option for Gibraltar and the best option for the United Kingdom have to accept that the United Kingdom has just reported more jobs than ever in its history in a remarkable turnaround. One would think, as an avowed remainer, that there would have been even more jobs in the United Kingdom economy if the United Kingdom had voted to remain, but as I said to the House a moment ago, I think we have to avoid overstating any case now with eight days to go. Overhyperbolising is not going to help anyone.

145 The hon. Gentleman then says that 96% rejected the vision of the UK Prime Minister for the future of the United Kingdom, in Gibraltar, because we voted to remain. Well, no, Mr Speaker, that is absolutely not the case: 96% of the voting public in Gibraltar voted, in the referendum on the issue of whether we should leave or remain in the European Union, to remain in the European Union. The hon. Gentleman has to be careful not to extrapolate that 96% and use it for whatever purpose he might wish at any particular time, because he has no right to do so. The 17.4 million people who voted to leave are, in my view, having their opinion and their vote traduced by politicians when politicians say 17.4 million people voted to stop immigration from the European Union. Well, not necessarily. Some of those people might have voted for completely different reasons to leave the EU, because one of the things that the Leave campaign talked about was EU workers continuing to be able to come to the United Kingdom. In my view, so many lies were told during the referendum campaign that it is not possible to interpret what 17.4 million people voted for or against, and anybody who pretends to do so is traducing them here.

155 Here, we have to be very careful to understand that 96% of our voters voted to remain in the European Union, but I would not say that they voted to remain in the European Union because they love the European project and they believe in it. I would say – quite the contrary to what Mr Phillips has said now – that 96% of people voted to remain in the European Union because that was the safest way of ensuring that we could continue with Britain, because our vision is that we want to continue with Britain. And so he has to be careful to say that the Prime Minister's vision for Britain is what 96% of people voted against. That is just not correct, and if he thought of that or it was thought of for him, whoever put pen to paper, he must remember that he is the one who is on the *Hansard* as having said these things.

165 Then he went on to make a characterisation of Mrs May – I have been very careful not to do any of that in what I have been saying in my statements – as a person who is not thoughtful or caring. Well, I am not going to characterise Mrs May one way or another. I know her and others know her and they characterise her in different ways, but characterising a politician in the way

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that the hon. Gentleman has can, of course, cause a difficulty should he need to engage with that politician in the future. I do think that the people of Gibraltar are going to give him that opportunity, but given that he thinks that they should and therefore that they might, he might want to be a little careful in the way that he characterises people. Mrs May has been written off every week in the newspapers since September and I have no doubt that she will be written off tomorrow and that she will be written off in the newspapers this weekend and that one day her political career as Prime Minister will come to an end, but if he is going to continue in this career in politics he needs to remember that the people he might be badmouthing today might be the people he might have to deal with tomorrow. It is what they reminded me of when I first talked about the second referendum in July 2016, when they told me that I should not talk about a false prospectus because I might have to negotiate with a Brexiteer. I think they have tried to forget that.

Mr Speaker, the only point I will make is this: when it has come to Gibraltar and when we have needed Theresa May, she has been there for us. She has been thoughtful and caring about Gibraltar when we have needed her to be. That is important to us because we are elected to represent the people of Gibraltar and when we have had to call upon her she has been there for us. For political reasons they say what they say about the Withdrawal Agreement, but I have been the one dealing with these negotiations and I can tell him that when it comes to Gibraltar, the people we are all here to represent, she has been thoughtful and caring.

Then the hon. Gentleman goes on to talk about what will happen if this deal is put again before the Commons. I thought he incurred in just political commentary ... Look, we can all do political commentary, but this is not a television studio and we are not here as commentators; we are here as legislators. So, if the meaningful vote on the Withdrawal Agreement is put again – and a Minister of State for the Department for Exiting the European Union *quasi quatem* has said that it is likely to be put on Tuesday – then whether or not the Commons votes for it is a matter for the Commons. To say that that is a contempt of the Commons is a matter for the Speaker of the Commons. The Speaker of the Commons has ruled that it would not be possible to put the same question again without there being a material change. If it is put, it is because there is a material change. If there is a material change, it is not a contempt to put it again, because if hon. Members agree with the analysis that leaving without a deal is a bad thing they either just say, ‘Well, all we are going to do is put our heads in the sand and hope for remain,’ or they have to accept that there are those who will want to see a managed deal put in place, and the Withdrawal Agreement is a way of dealing with a managed deal. A contempt equal, Mr Speaker, apparently, to my not putting the Tax Treaty with Spain to the Parliament for approval before it is ratified. Well, Mr Speaker, I do not know whether hon. Members have realised this – and I have a lot to say, when it comes to it, on the Tax Treaty, something I am not going to get into today – but there is nothing in our laws, in our Constitution or in the Standing Orders of this House about how we ratify international agreements, because we are not empowered to ratify international agreements.

If it is a simple issue of democracy, then hon. Members should know that we were empowered by 68% to 32% to run the affairs of this nation and nonetheless we have put the Tax Agreement on the table. The first publication of the text of the Tax Agreement is the motion I sent to you with the text of the Tax Agreement – that is how it is published – and we will have a full debate on it and we will hear what they have to say about it. It is a motion to note, although today I have seen in a press release that there is an attempt to amend the motion to note and that hon. Members say that I should not even lay the Tax Agreement – at least that is one of the things I have read in a press release; no doubt we will hear more about that later on.

Mr Speaker, this morning on Sky News I did not change my position on the Withdrawal Agreement. I have not changed my position on the Withdrawal Agreement. My position on the Withdrawal Agreement is very simple: it is the agreement by which the government of the United Kingdom is attempting to deliver leaving the European Union, an objective that all of us agree is not as good as staying in the European Union, which is what we all prefer and which is

what 96% of people voted for, but it is a good agreement for the United Kingdom and for Gibraltar given the very bad outcome that leaving the European Union is.

Hon. Members can try and pretend to people that I have changed my position – that is fine; most of what they say about my politics is pretence. Most of what they try to persuade people with is not an argument related to the truth. I have to be careful how I express that particular bent when it comes to the way that hon. Gentlemen present things. They can do that, but they know – or at least I would expect them to know – that what I am saying in respect of the Withdrawal Agreement is not to suggest that it is better than remaining in the European Union. So, if I now say with eight days to go it is either the Withdrawal Agreement or revoke, because the alternative is no deal, then at least what is happening is that the point of view that I was expressing in November is at least becoming clearer to them.

Yes, we are waiting for a Parliament 1,500 miles away to determine its future and therefore its knock-on effect on our future. I thought that was obvious. I thought it was obvious that in the hierarchy of our Government unfortunately some of these issues are out of our control. Some people like to describe those relationships with a word that we do not like that starts with a C, but that is the reality of our relationship with the United Kingdom.

Then the hon. Gentleman says that he wants to try and reassure people about what is going to happen next. I do not know what it is that they are trying to reassure people with, because they should be joining with the Government in telling people that on 30th March, if there is no Withdrawal Agreement and if the United Kingdom, and with the United Kingdom Gibraltar, falls off the cliff of membership of the European Union, okay, it may legally be quite a dramatic event but actually on the ground it is not going to be a dramatic event because we have made the arrangements.

Hon. Members say, 'Well, you haven't involved us in the arrangements.' Well, as I have to repeat every time they make that statement, Mr Speaker, they have Members in the Brexit Select Committee and they are told in the Brexit Select Committee what is happening. In the Brexit Select Committee, Dr Garcia has repeatedly, carefully and at every meeting asked the same question: 'Are we doing anything that you disagree with, and is there anything you think we should be doing that we haven't done?' Apart from one or two instances where Mr Feetham has given us some ideas and others may have mentioned something which we have pursued and reported to them on, they have not come up with any ideas – so what involvement would they have had if we had done it in a different way? What would they have brought to the party that we have not enjoyed the benefit of? Nothing that I believe has produced a detriment to the people of Gibraltar in any way.

It is, for me, very clear that if hon. Members want to help this community now, if they do want to provide reassurance, what they need to say is, 'We understand that we are not in government, but we have a Government that is always going to want to ensure, as we would if we were in government, that everything is going to be okay the morning after we leave the European Union without a deal, if that sad eventuality comes about which all of us have fought to see not happen.' Mr Speaker, they should join us in that. That would be of assistance to this community. Otherwise, many years from now when historians look back at who did what in this time, I put it to them that they will not enjoy reflecting on that history because they will not have covered themselves in glory.

Mr Speaker: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, last night we waited with bated breath for a clear sign of direction from the Prime Minister, and while many will identify with the frustration and emotion she unfurled, there is still no sign of the direction we are all desperate for. It was unfortunate to witness her attack on MPs, which has only served to alienate her further from the very people she needs on side to deliver the Brexit deal the people of the UK –

275 **Mr Speaker:** Could I ask the hon. Lady not to delve too far into that point because it is a matter for the Speaker of the House of Commons and not for this Parliament to deal with. She can make a reference, as she is making, but do not develop the point.

Hon. Ms M D Hassan Nahon: Mr Speaker, thank you; I was not going to anyway.

280 And on that note, I have to caveat that I include that Gibraltar did not vote for what the UK voted for, as I just said. Unfortunately, this means that the uncertainty for Gibraltar continues. Therefore, I take this opportunity to urge and ask the Government to continue with their efforts to plan for all the possible scenarios, of which there seem to be many and it is anyone's guess as to which one of them will transpire. For my part, I stand ready to collaborate with any efforts
285 needed to ensure that our community is ready for the future.

At this point I also believe we should be lobbying for a revocation of Article 50; or, failing that, another referendum or people's vote. In parallel with these efforts, I repeat that we need to focus our energies on ensuring that Gibraltar is future ready for any eventuality. It is our obligation to ensure that our contingency planning is robust and ready for a post-Brexit scenario
290 because, as we have seen over the last three years, the future is anyone's guess right now.

Thank you.

Mr Speaker: The Hon. the Chief Minister.

295 **Hon. Chief Minister:** Mr Speaker, I am grateful for the opportunity to deal with those points the hon. Lady has raised.

You rightly say that it appears that Speaker Bercow is addressing some aspects of what the Prime Minister said outside –

300 **Mr Speaker:** What I would not want is any suggestion by anybody that this Parliament is interfering in what ultimately are matters of privilege of the House of Commons, purely that.

Hon. Chief Minister: Absolutely, Mr Speaker, although I think it is absolutely right that Members of this Parliament are able to express their views about the Withdrawal Agreement –
305 whether I agree with them or not – and how Members of Parliament should or should not vote, because those things will have an effect on Gibraltar, the people whom we all represent.

Of course, I would say this, Mr Speaker: that the mover of a motion to have something approved criticising those who have not voted with her in that respect should not catch anybody by surprise. I think it is absolutely normal in the context of the political debate and we do it to
310 each other all the time – that if somebody moves something, they passionately believe it should be approved because it is for the good of the nation, and if others do not support it then of course they are subject to criticism.

The hon. Lady says Gibraltar did not vote for what the UK voted for. Absolutely right. We voted with the 16.8 million who voted to remain and not with the 17.4 million who voted to
315 leave. Interestingly – and this brings me to the point that the hon. Lady raised the last time that we unfortunately had to spend time with statements on this issue – the Prime Minister voted with all of us. Mrs May voted to remain in the European Union and so it must be put in that context also: that she is having to now deliver not against her own vote in the referendum but against her manifesto in the last General Election.

320 The hon. Lady can rest assured that every Member of Parliament that I have spoken to – and that is not all of them, but certainly people representing all of the shades of opinion and groupings in the British Parliament – know exactly what our position is in respect of the Withdrawal Agreement, why that is our position in respect to the Withdrawal Agreement, the 96% vote of Gibraltar to remain in the European Union and indeed the much more nuanced
325 position that we have to take now going forward in respect of revocation, new referendum, etc. They are all fully aware of that, including the leading lights that hon. Members will be seeing in

the Parliament and indeed in the news channel debates talking about issues now, in the last eight days, including relating to revocation.

330 In terms of future proofing Gibraltar and being robust and ready, she has my assurance that that is the case. I know that she has raised one issue on which we have had an element of dispute, as I have said in response to the statements that she made in that respect, where I told her that there were zero issues in the past and she was concerned that in fact there might indeed be issues. I can assure her and she can assure all those who go to see her that there are minus zero issues now and that those issues have all been entirely dealt with, as I indicated to
335 her that they were. She can have the comfort and everyone in this community can have the comfort that we are not just ready, we are more than ready for the unfortunate potential eventuality that might materialise on the morning of 30th March if our advice on revocation is not taken in the event that the Withdrawal Agreement is not approved.

340 **Mr Speaker:** Does any other Member wish to raise any ...? Yes, the Hon. Daniel Feetham.

Hon. D A Feetham: Yes, Mr Speaker, two questions if I may.

The first question – and I would like to drill down with the Chief Minister this aspect ... It would have been an absolute calamity, I think, for the United Kingdom to have had a Withdrawal
345 Agreement that would have allowed an orderly withdrawal from the European Union, an extra two years, and for Gibraltar not to have had any, so Gibraltar falls off a cliff on 29th March and the UK continues for another two years. But what the Withdrawal Agreement effectively does – and I have expressed this view on a number of occasions – is it effectively buys the United Kingdom and us an extra two years within which to negotiate a permanent deal, and I think that
350 is going to be extremely difficult for Gibraltar because Spain is going to, at that stage, insist on significant concessions for Gibraltar's inclusion. Gibraltar is going to say no, so ultimately I have always said the probabilities are that we will be out of the European Union, except that that will not be today, it will be in two years' time. Contrasting with that position, in circumstances where the UK may be out without a deal and therefore Gibraltar will also be out without a deal, and in
355 circumstances where Gibraltar will effectively be the only jurisdiction that has access to the United Kingdom's markets – for example, in financial services – how difficult and how ... I hesitate to use the word 'disastrous', but how difficult does the Chief Minister think that that scenario would be for Gibraltar? And does he not agree with me that in fact it may not be as bad as some people may believe it to be? That is the first question.

360 The second question is in relation to the statements that the Hon. the Chief Minister has made in relation to the Tax Treaty today. I have read in a communique that has been issued by No. 6 Convent Place that a future government would only be able to terminate the Tax Treaty in very limited circumstances. Therefore, does he not agree with me that in circumstances where this Government is effectively binding future governments in that way – in other words, to be
365 bound by a Tax Treaty which a future government cannot come out of except for in very limited circumstances – the fact that the Government has a 68% majority, which is a very handsome majority that it won at the last election, really is tempered by the fact that it is binding future governments in that way and therefore it would have been the right thing for the Government to have done to come to this Parliament prior to the signing of it in order to get consent of this
370 Parliament, which of course they would have because they have got the majority, but they would have at least had the consent of the Parliament prior to the signing of it? And does he not recognise that that is an important distinction?

Thank you very much, Mr Speaker.

375 **Hon. Chief Minister:** Mr Speaker, I will deal with those points with the caveat that we will have a debate on the Tax Treaty when it comes. I will just deal with that discrete point now, but in a limited way. I will say more when we have the debate on that.

Mr Speaker, a little blue birdie tells me that he is going to be at a demonstration on Saturday in support of a new referendum. I think it is very good, as I have said throughout the time that we have been debating these issues in this House, that as an individual he is taking that position. He will have the ability of saying to everyone there that the Government of Gibraltar believes that the referendum is not a final resolution of the issues facing the United Kingdom in respect of Brexit but it is a step in a better direction than leaving the European Union, as he knows.

It would have been, yes indeed, an absolute calamity for Gibraltar to be outside the net of protection that businesses will enjoy in the United Kingdom if the Withdrawal Agreement is passed and there is a transitional period of two years before new arrangements enter into effect between the United Kingdom and the European Union. It would have been the most calamitous result for Gibraltar businesses and it would have been the most treacherous way of the 96% vote in Gibraltar being recognised by the European Union at the suit of our most, usually, unfriendly neighbour. That is absolutely the reality and indeed the main reason why the Cabinet was clear in Gibraltar that we had to engage in a process of ensuring that we extended to Gibraltar whatever protections – however inadequate – a Withdrawal Agreement provided for the United Kingdom, that they should also extend to Gibraltar and I think he recognises that in the gist of his questioning.

He then takes me to whether in fact enjoying as we do – also as a result of a separate strand of Government activity – continued access to the UK market in services, whether or not there is a Withdrawal Agreement ... whether or not that creates a disadvantage or an advantage for Gibraltar. Of course, it creates a potential huge advantage. In a scenario where the Withdrawal Agreement is not approved and the United Kingdom leaves on WTO terms, then the flow of services from the United Kingdom into the European Union and from the European Union into the United Kingdom might be curtailed, but the flow of services from Gibraltar to the United Kingdom would continue to be as it is today, and that is potentially hugely advantageous.

Hon. Gentlemen may have heard me talk of the preparations we were making also, and are making and are ready for, to ensure that we do not drop the ball if there comes a rush of applications for people to do business from Gibraltar to the United Kingdom, whether that is in the gaming sector, in the insurance or financial services sector or other sectors. It may only be a handful of companies but they will be important ones if they come and we must be ready to assist them to have that continued access to the United Kingdom. I think he is rightly pointing to the fact that there are some of our what one might call common enemies who were soon to trumpet the demise of Gibraltar as an attractive place from which to do business, and in fact their throats have gone a hoarse and Gibraltar continues to be vibrant, strong and robust when it comes to the offering that we make in any of the service sectors that have become important to our economy, and we continue to see growth there in particular because of the security there is in access to the UK market going forward through what one might call the transitional period and indeed beyond that.

On the issue of the Tax Treaty I want to be clear with hon. Gentlemen: I do not think that it is possible for anybody to make the argument that one simply ends a treaty for no cause at all. If they were to win the next general election and if their much trailed general meeting were to result in the passing of a motion of their party that, once elected, they would seek to terminate the agreement, one would think that they would want to give a reason why they did that. So they must have cause to do so. Or is it that they suggest that they would not? I would have thought they would want to terminate for cause, whatever the cause may be. Enough of us in this room are lawyers to know that cause is something that one sits down and thinks about, determines and then acts upon.

I do not recall having received an advance notice of the Airport agreement done at Cordoba. Indeed, I do not recall having received advance notice of the arrangements done in relation to telephones and pensions and the other matters that arise. I see that from a sedentary position the hon. Gentleman says those were administrative. Well, a few weeks ago they were the greatest agreements done in the history of Gibraltar and they were agreements. Now they are

430 just administrative arrangements. Well, Mr Speaker, they might have been administrative
arrangements; the hon. Gentleman knows our view about them. They were administrative
arrangements that conceded jurisdiction, sovereignty and control at Gibraltar Airport.
Gibraltarians would be subject to the control of a Spanish Guardia Civil officer by the surrender
of our jurisdiction and our sovereignty, and when Joe Bossano in a leaders' debate said, 'Look,
435 we are not going to continue with this. We are going to seek to renegotiate a very nuanced
position,' – not abrogation, renegotiation – he was faced with the argument from the man that
he has described as the greatest Gibraltarian of all time, the former backbencher Sir Peter
Caruana, which related to the picking of fruit. The lesson sayeth at that time, from St Peter's
chair, that one is not able, if one is going to be seen to be mature in international relations, to
440 simply go back and pick the bits that one likes about an agreement – except, of course, that the
Spanish state demonstrated the complete opposite the minute they were elected. So, the
argument about cherry picking was not a good one when it was put here to the Hon. Sir Joe
Bossano because the less honourable individuals who took over the government of Spain in
2011 then proceeded to do exactly that, to cherry pick.

445 I think in international law and in international diplomacy it is absolutely appropriate to say, 'I
will seek to renegotiate a treaty. I will seek to renegotiate an agreement.' I think it is absolutely
fine. One might find that politics may have changed enough by then that you might find a willing
participant in the renegotiation sitting opposite you. One might say, 'I am going to terminate an
agreement,' – of course one might say that, it is absolutely okay to do that in the context of the
450 ability that there is determining, but one must say why.

Hon. Gentlemen need to give cause. They should not be afraid to be asked to give cause for
their purported putative future termination. (*Interjection*) No, in a moment, let me finish the
sentence. But I will say this to the hon. Gentleman, because in a moment he is going to want to
jump up like nobody's business. (*Laughter*) Mr Speaker, I hope that the GSD pass a motion
455 saying that they will terminate this agreement if they are elected and I hope that they make that
explicit in their manifesto, because one of the key planks of the next GSLP-Liberal victory at the
next election will be the fear in the finance centre and in the population generally that hon.
Members, if elected, might terminate that agreement – because this is such a good agreement
for Gibraltar, as I will demonstrate when we debate it fully, that even hon. Members will try and
460 find a way of quietly resiling from the position that they have put.

Before I sit down I will give way to the hon. Gentleman. (**A Member:** Hear, hear.) (*Banging on
desks*)

465 **Hon. D A Feetham:** And he was doing so well, except when he decided to overextend himself
in his arguments.

Mr Speaker, he has not really answered the question because the question that I am asking
is: is it the view of the Government that you cannot terminate this treaty unless there is
substantive cause – in other words, there is a good reason in law to terminate? Or is it what he is
saying, that yes you can terminate but politically I would expect you to give a reason? Those are
470 different things and it was a serious question that I was asking. Leave aside the politics. What
caught my attention in a Government press release was a statement that appeared to indicate
that as a matter of law you cannot terminate the Tax Agreement without having a substantive
reason.

And finally, Mr Speaker, because I cannot resist the temptation, I will say that of course it is
475 also within the gift of the Government to say very clearly that it will never implement all the
Cordoba agreements that we negotiated should a future Spanish government say, 'We are
prepared to implement them.' But in fact that has not been the position of the Gibraltar
Government because the Gibraltar Government has said, 'Well, look, despite the fact that we
don't like them, we will honour them.' So, I suppose that in argumentative terms what is good
480 for the goose is good for the gander.

Mr Speaker: The Hon. Roy Clinton.

Hon. Chief Minister: No, Mr Speaker, I gave way.

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Mr Speaker: You want to answer that?

Hon. Chief Minister: I gave way.

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Mr Speaker: Very well.

Hon. Chief Minister: Thank you very much.

Mr Speaker: I have allowed you to give way and I have allowed the hon. Member to interrupt in a situation in which we are not in a debate, but hon. Members I am sure will have noticed how liberally I am using my discretion on matters to do with Brexit, notwithstanding the fact – and they should take note – that there is not a word in these Standing Rules and Orders about such a thing as a Ministerial or a Chief Ministerial Statement. It does not appear in these Rules. I cannot understand why, but that is a fact and therefore I am just going on the whim of what I think I should allow on a particular day. Given the exceptional circumstances of Brexit, of course, I have been very liberal, but I will not allow hon. Members to cite this as a precedent in the future when a statement might be made because there has been a burst of a water mains in Main Street: that is another kettle of fish altogether.

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The Hon. the Chief Minister.

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Hon. Chief Minister: Mr Speaker, I am very grateful for the latitude that you are showing the House.

If I may say so, one of the things that I alluded to before – just before I deal with the points the hon. Gentleman raised – is that this House, despite our many disagreements, I think has behaved in a fairly exemplary fashion in these past three years and has delivered the exchanges in the debate that people expect with the result not impaired in any way, maybe because of, as I said before, the inbuilt majority that we have, or for other reasons, but having these debates and your allowing us to have them I think is a hugely important part of how the community is informed. Not ‘debates’, Mr Speaker – I should not have used that word.

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The hon. Gentleman said I was doing so well until I overextended myself. I will always remember him saying that to me during the course of the last General Election campaign – and didn’t we do well in the end, Mr Speaker? (*Laughter*) (**A Member:** Very well.)

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The hon. Gentleman is really asking me for a legal opinion now. He is asking me for my legal opinion – and he oft disregards most opinions I give him, let alone my legal ones – on whether or not the Treaty can be rescinded and terminated at whim as a matter of policy, or indeed whether cause must include legal cause. Well, Mr Speaker, I have seen enough of the debates on the Vienna Convention on the Law of Treaties in the UK Parliament to know that there is more than one opinion, and so I am going to let him get his own legal opinion on that. I have the benefit of what I consider to be the best-value legal opinion in Gibraltar – from the Attorney General – on these issues, but legal opinions are not things that governments share, as hon. Gentlemen know, so they can obtain their own view in that respect.

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I would like to see, actually, a situation where we are not talking about the first treaty entered into since 1704 – which we think has huge benefits for Gibraltar, which I will deal with in the context of the debate when the time comes – not being one that we start by talking about how we are going to end it. That is why the much more circumspect, much more experienced, older, wiser approach of Sir Joe Bossano – a man who he oft seeks to have his opinions twist and turn in his favour – took the view that it was renegotiation that he was putting on the table, not revocation. And it is true, Mr Speaker. Since we were elected we have put on the table

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performance of the Cordoba arrangements for a simple reason: although we did not like them and will continue to seek to renegotiate them, the mature and proper thing to do – because politics is for serious people – is to say, ‘There is an agreement in place done by the former administration in Gibraltar. We do not like it, we want to renegotiate it, but we accept that a Government of Gibraltar binds its successors. We invite the other side to renegotiate; or, if not, at least to perform.’ And they do not perform. In fact, Mr Speaker, hon. Members might want to reflect that our position has been not just the mature position, it has been the logically and the politically cleverest position to take because Gibraltar has not said it is not performing on the Cordoba arrangements. Spain has failed to perform on the Cordoba arrangements, and so therefore those of us who believe that the Cordoba agreements are bad for Gibraltar because they ceded at the Airport sovereignty, jurisdiction and control, have been able to see them not come into effect without having to pretend to terminate them and suffer the ignominy that would befall those who do in respect of such international agreements.

Mr Speaker: The Hon. Roy Clinton.

Hon. R M Clinton: Thank you, Mr Speaker, and I beg your indulgence because the discussion – although this is not a debate, as you correctly pointed out – seems to have veered on to the Tax Treaty rather than remaining on Brexit.

Mr Speaker, I want to ask the Chief Minister two questions. The first is: within the Treaty, would he agree with me that there is no reference in Article 7 to there being a need to terminate for cause? There is no mention of that whatsoever.

My second question to the Chief Minister relates to the transcript of his explanatory video, when he says, ‘We don’t trust them, so we have retained the ability to terminate the agreement if they don’t deliver.’ I would be grateful if the Chief Minister could explain to the House how he has retained that ability to terminate the agreement, given what he has just said; and what is it that he would deem so heinous that he would actually attempt to terminate the agreement?

Hon. Chief Minister: Mr Speaker, I am clarifying the things I have said in my Statement, not matters that I have said in a video outside of this House – although I am always very happy to debate my videos and I have been debating now for seven years my magnificent Facebook video on the Budget and I would be quite happy to debate my video on the Tax Agreement when we are debating the Tax Agreement.

In relation to the statement in Article 7, I have just dealt with exactly that point raised by the Hon. Mr Feetham. I thought they were talking now.

Mr Speaker: Is there any other matter that any other Member wishes to raise before we move on to the next Item?

Standing Order 19 suspended to proceed with Government motion

Mr Speaker: The Chief Minister.

Clerk: 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 a Government motion.

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

GOVERNMENT MOTION

**Appointment of Mayor and Deputy Mayor of Gibraltar –
Amended motion carried –
John Gonçalves MBE GMD and Christian Santos appointed**

580 **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 Mr John Gonçalves MBE GMD, to be Mayor of Gibraltar as from Thursday, 4th April 2019.

Mr Speaker, John Gonçalves is a man who needs very little introduction. Indeed, he is a man
585 who is well known, I think, not just to most Members of this House but indeed to most members of this community.

He is a man who is known in particular to most of us as a result of his extraordinary public service. He first came to my attention when he was working in the Supreme Court of Gibraltar. He has, since then, or indeed before then, discharged many public roles and he has, I think,
590 demonstrated to all who have known him his deep level of commitment to the work that he did in his role as a public servant.

Subsequently, John Gonçalves has become known, not just in Gibraltar but internationally also, for the work that he has done in basketball. Basketball is his particular chosen sport and he has, I think, been involved all of his life in the sport of basketball, and not just in Gibraltar. Indeed, in Gibraltar many know John Gonçalves as Mr Basketball; and outside of Gibraltar, in
595 basketball, John Gonçalves is known as Mr Gibraltar! *(Laughter)* So, he is a person who has ensured that the name of Gibraltar has been carried internationally in a positive light in a sport which is close to his heart and close to the hearts of the many younger people he has brought into the sport and he has mentored into the sport. But of course John hasn't just stuck to
600 basketball. Basketball has exposed John also to the Commonwealth Games and to the Island Games and other international representation of Gibraltar, and in those other committees he has contributed greatly also to Gibraltar.

Indeed, Mr Speaker, John has been known as Deputy Mayor to Kaiane Aldorino Lopez since she was appointed Mayor and he has done a sterling job of supporting Kaiane in the work that
605 she has done as our Mayor.

Mr Speaker, I really do believe that appointing John Gonçalves as Mayor of Gibraltar will bring something different to the mayoralty, and in the time that I have been Chief Minister I have sought to ensure that all those who have held the distinguished post of Mayor – yourself included and in particular – have brought different qualities to our City Hall and to that most
610 important civic post. So, where you brought the depth of your experience, having been there before, having been a Member of this House and having held all of the senior political positions, Kaiane Aldorino brought her ability to draw in young people, in particular young women, to what the role of the Mayor was. We saw City Hall change under you and we saw City Hall change under her, and I think we will see City Hall change under John Gonçalves as well. City Hall will be
615 a place of welcome to sportsmen and I think John in this particular year, which is the Island Games year, will be able to attract a better understanding of the role of Mayor to all those young sportsmen and women whom he has ably represented and who look to him as a mentor as much in life as in their sport.

Mr Speaker, I therefore do commend that John Gonçalves be appointed by this House as Mayor of Gibraltar and his time in office will no doubt be particularly remembered for his contribution to sport and how those sporting associations will see one of theirs as our Mayor.

It would be remiss of me, Mr Speaker, nonetheless, to not say something at this point about the magnificent job that Kaiane Aldorino Lopez has done as our Mayor. **(A Member: Hear, hear.) (Banging on desks)** Like all those who have held the post before her, Kaiane has done Gibraltar proud. Because of her background and her international standing, Kaiane was able to attract press coverage of her appointment as Mayor and her discharge of functions as Mayor, and the people of Gibraltar should understand that the coverage that Kaiane got in international publications like *Paris Match* and other publications around the world ... We would not have been able to afford to buy the pages to advertise Gibraltar in the way that these publications covered us and covered Kaiane's period as Mayor. So she must be thanked for that but she must also be thanked for the excellent way in which she discharged her functions, for her comportment as Mayor and for the way that, as I said before, she opened up the mayoralty to a younger generation. I know that you will not mind my saying that she is younger than you –

Mr Speaker: And more beautiful!

Hon. Chief Minister: – and that that was an important part of how we wanted to reach out to a younger generation as a whole House. We appointed her together. We wanted to reach out so that the mayoralty, the City Hall, those civic functions were not seen as something that was just the domain of the elder in our community but that the younger community should also understand it. I think she has done an absolutely excellent job in opening up the mayoralty in that way, and indeed not just in the international coverage that she obtained for Gibraltar and in the way that she attracted young people to City Hall but also in the way that she has represented Gibraltar internationally, in particular last week when she was in Jamaica and dealt with the twinning of Kingston and Gibraltar and in then the other work that she has done internationally for Gibraltar.

So, Kaiane, I think, can hold her head up very high indeed and, with the thanks of all of this House, reflect on a job well done as Mayor of Gibraltar. **(A Member: Hear, hear.) (Banging on desks)**

Mr Speaker, it is also incumbent on us to consider who should take over from John Gonçalves when he comes to the end of his role. It has been traditional to appoint a Deputy Mayor and therefore I am going to move an amendment to my motion that at the end of the motion presented to the House already the following words should be added – and I have given notice to the House in writing, as is required by the rules, in a letter to you of a moment ago. The following are the words to be added, Mr Speaker:

and that Christian Santos be appointed as Deputy Mayor to take over the role of Mayor after John Gonçalves.

Mr Speaker, Christian Santos is a young man who is doing a magnificent job in the Gibraltar Academy of Music and Performing Arts, and before that in Santos Productions. He is bringing to our stage each year a magnificent Llanito play, where the dialogue represents the way that we tend to talk to each other when these microphones are off. He has really been able to take the art, that had been lost, of *'La Lola se va pa Londre'* and turn it into a much more contemporary art form that delights many generations when the shows are on in the Mackintosh Hall.

But far from being a one-trick pony in the work that he does there with Richard Moore and the cast of characters that they deploy, this is a man who is established as an entertainer and has been in the employ of the biggest companies in the world outside of Gibraltar. He is a singer, a composer and also a teacher and he has taught now a number of generations of Gibraltarian children in the performing arts. We have seen, in particular, how he has taken Gibraltar choirs

and they have brought back to Gibraltar medals from around the world, and the magnificent way that he has mentored and inspired young people. Some of those who have been working with Christian have gone on to even greater things outside of Gibraltar.

670 I think it is important that the mayoralty continues to be open to young people and that our City Hall and our civic representative, the Mayor, is not alien to young people and is somebody who young people consider approachable. With John we achieve that in the context of sports and with Christian Santos we achieve that by dint of him being a younger man and indeed somebody who is involved in teaching of young people and involving them in the performing arts.

675 Mr Speaker, I am very excited by the fact that John Gonçalves is going to be our mayor as from next week. I am equally excited that he will have with him somebody as exciting to see perform as Christian Santos and that together they will open up City Hall even further, that they will demonstrate that this is a place for all our community of whatever political view one might take, of whatever age, of whatever particular preference one may have in life, for sport or for culture, and that City Hall continues, as it has been, always open for business, open to all Gibraltarians and open as a place where we all come together. *(Banging on desks)*

680 **Mr Speaker:** Let us formally, then, move the amendment. I ask the Chief Minister to formally move the amendment and we vote on it.

Hon. Chief Minister: Mr Speaker, I have given notice of the amendment, which is now before the House and hon. Members have in writing, as is required by the rules, and I so formally move.

690 **Mr Speaker:** Does anybody want to speak specifically on the amendment, or would the House prefer that I put the amendment to the vote and then we take the composite motion?

Hon. E J Phillips: Mr Speaker, I would like to speak briefly on the amendment.

695 **Mr Speaker:** Yes, you want to speak to the amendment? Very well. The Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, just a point of order. We would obviously like to speak to Mr Gonçalves' appointment and that of Mr Santos – take the whole motion afterwards. We will take it as a whole.

700 **Mr Speaker:** Very well. I put the amendment to the vote. The amendment is to the effect that Christian Santos be appointed as Deputy Mayor to take over the role as Mayor after John Gonçalves. Those in favour? **(Members: Aye.)** Those against? Carried.

705 And so what we now have before the House is a composite motion and the Hon. the Leader of the Opposition can speak to that as well.

Hon. E J Phillips: Mr Speaker, the baton, as the Chief Minister has said, has now been firmly passed from Miss World to Mr Gibraltar and on this side of the House we congratulate Mr Gonçalves on his appointment. Her Majesty's Opposition will, of course, fully endorse the motion that stands in the Chief Minister's name moving the appointment of Mr John Gonçalves to be Mayor of Gibraltar as from 4th April 2019.

710 I have known Mr Gonçalves for some time and my discussions and interactions with him in his capacity as Deputy Mayor have all been very positive and should lead us all to the conclusion that he is most fit to follow in Her Worship's footsteps. Mr Gonçalves has done much for our community. The Chief Minister has spoken about Mr Gonçalves' contribution to public life and indeed his contribution to sport, both domestically and internationally, and we of course associate ourselves with the Chief Minister's comments in relation to that.

I know that Mr Gonçalves believes that he has big shoes to fill – he has actually said that to me many times – but I am sure that he will wear them very well indeed and discharge his new office.

As for the outgoing Mayor, it is right to reflect that each Mayor, as the Chief Minister has said, has brought something unique to the office and it is clear that Kaiane has breathed new life and a new approach into the office and reached out to a new audience and new generation.

We on this side of the House wish Her Worship and her family all the very best for the future and we will, of course, support the motion.

In relation to Mr Santos, of course his contributions are well known and, as the Chief Minister said, he was fundamental – instrumental, should I say, not to use a pun – in the establishment of the Gibraltar Academy of Music and Performing Arts and has been, more importantly, instrumental in bringing music to the younger generation and making music education more accessible to the younger generation, and that is why we will fully support the Government's motion as amended. *(Banging on desks)*

Mr Speaker: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, it is with the greatest honour that I can stand up here today to endorse the ratification of John Gonçalves as our future Mayor of Gibraltar.

My first recollection of this very well-known and respected gentleman is from when I was about nine years old, circa 1985, and set up a mini-basketball team for myself and my friends in the Hebrew School. John Gonçalves was running the league, of course, and encouraged us all to go out and get sponsorships, which we did and felt so empowered for having done so. After that, at every game there was John by the Landport Ditch, encouraging us all to play and to do well – even to those of us who were clearly utterly rubbish at basketball. I realised then that we were among a man who truly cared for the sport, for kids and for his community in general, and it is something that I never forgot.

This is what being a mayor is all about, Mr Speaker: advancing your community in the civic way by including as many people as possible to do good things for our society. So, to that effect, John Gonçalves is the perfect candidate for the post of Mayor. The man has a long history in serving our community through his work with the basketball fraternity, and sport is something that always brings people together from whatever culture, creed or side of the political divide. We are lucky to be getting John Gonçalves as our future Mayor and I am proud to be validating him for the good of our community.

I also take this opportunity to thank my dear friend Her Worship Kaiane Aldorino for the sterling and diligent work that she has done for all of us as Mayor of Gibraltar.

On the appointment of Christian Santos, once again I am more than pleased to see his name lined up for Deputy Mayor and consequently our future Mayor. Similarly to what John Gonçalves has done for the world of basketball, Christian has done and continues to do wonders for the world of music and performing arts in general. From a small operation when he came back from university, to a fully fledged, flourishing and hugely successful Academy of Music with hundreds of students who are thriving and profiting immensely from his vision, expertise and determination, he is our perfect future Mayor, and it is precisely these qualities that are just what we need for an effective Mayor who will bring people and the community together.

I therefore proudly support this composite motion, Mr Speaker. *(Banging on desks)*

Mr Speaker: Does anyone else wish to speak to the motion? The Hon. Trevor Hammond.

Hon. T N Hammond: Thank you, Mr Speaker.

I do feel obliged just to say one or two words because I have had the pleasure of knowing John Gonçalves for many years. I met him in a professional capacity. He was the Airport Terminal Director at the time that I began my career in air traffic control and in some respects he became

a mentor to me. I will never forget that day when I was fortunate enough to have been promoted to become the first Gibraltarian Manager of Air Traffic Control, and when I told John he was absolutely delighted by the fact. That speaks volumes for him, the pride that he showed in the success of others. I think that does speak volumes for John; it speaks volumes for his character. Clearly he has achieved great things for Gibraltar in the realms of basketball. So I am honoured. It also makes me reflect on how the world turns and how we meet people in our lives and then we find ourselves meeting in different capacities – and here I am standing in the Parliament of Gibraltar with the opportunity to speak about a man I have had a very long relationship with and someone I do feel privileged indeed to know. So, yes, very happy that this motion is being presented to this House at a time when I am in this House and very happy at the fact that Mr Gonçalves, John, is becoming Mayor of Gibraltar.

Equally delighted by the news, which I have only obviously received today, that Christian Santos will be the Deputy Mayor. I think that is an excellent choice, so whoever had that idea I congratulate them because it is an absolutely brilliant choice. I know he will bring a lot of energy undoubtedly to the role, so delightful news in that respect.

And, of course, to Kaiane: excellent work that she has done both deputising in the first instance to you, Mr Speaker, and then in her own right as Mayor over the last several years.

So, as I say one more time, delighted to be standing in this House being able to speak to this motion. *(Banging on desks)*

Mr Speaker: Any other contribution?

I call on the Chief Minister to reply.

Hon. Chief Minister: Mr Speaker, I am very grateful for the contributions from all other hon. Members. Of course one feels that way when they are supportive. I see people complaining that Mrs May is attacking those who are against her. Well, one feels supported when one is supported and attacked when one is attacked. It is perfectly natural.

I am very pleased that this motion is going to be one that is approved by unanimity, given what hon. Members have said, although I must say I never had the Hon. Mr Phillips down as a basketballer, but I am pleased to see that he has a long relationship with John Gonçalves.

I do want to be careful about the references to John Gonçalves as Mr Gibraltar. I mentioned him in that context internationally in sport, in basketball. If we go around saying that Kaiane Aldorino Lopez was Miss Gibraltar and that John Gonçalves was Mr Gibraltar, they will think, 'Well, you have some very good judges and some very bad judges when the time comes to choose who should be who.' It is absolutely right that Jonathan Gonçalves has big shoes to fill – I cannot wait to see him in Kaiane's heels!

Mr Speaker, it is particularly pleasing to hear the Hon. Mr Phillips talk of the excellent work that Christian Santos is doing in GAMPa and the excellent work that is being done there, because of course GAMPa was created by this Government and it fulfils an important role. We were losing music and we were losing people learning their instruments and being able to then graduate into orchestras, and the decision was made that as soon as we were elected in 2011 we should immediately move to create the Academy of Music and Performing Arts. Christian Santos then was the person successful in running that and shaping it in his own way and he has done an absolutely magnificent job in that respect.

I am also pleased to know, Mr Speaker, that Miss Hassan Nahon has something of the basketball in her – you never know what you never know about people, hidden talents – and that she too has known John for some time and will feel very well represented by him, as will all of this House when he represents us all in our civic sense.

She also spoke fondly of Kaiane and the work that she has done and I am grateful for those kind words, which will be reflected in the *Hansard*, of the work that Kaiane has done, and indeed for her very positive remarks about the work that is being done by Christian at GAMPa.

Mr Speaker, I am very surprised to see Mr Hammond refer to Mr Gonçalves as a mentor. Mr Gonçalves usually does a good job of the people he mentors, so I am very surprised that Mr Hammond has also claimed to have been mentored. *(Interjections and laughter)* He teaches them how to always get the shots in from a distance and that it is a no-contact sport, whilst my experience of Mr Hammond is quite different.

But I am very pleased that Mr Hammond got up to speak, because one of the things I had neglected to do was to reflect on the magnificent job that John had done at Gibraltar Airport, a job that actually Joe Bossano asked him to do and that we were all very proud to see him and the people who worked with him in Gibraltar Air Terminal and security and immigration, all of whom did a magnificent job. I think Mr Hammond has alighted upon that it is something that we should also reflect on the record as one of the excellent pieces of Mr Gonçalves' work in the past that have added greatly to what Gibraltar is today and how Gibraltar has since developed, not always appreciated by those who should have appreciated it. I am, of course, thinking of those who might have demonstrated their appreciation for that work in a different way when they held the office that I now hold.

Mr Speaker, John will be lent to us by Laura , by Elaine, by Louise and by the grandchildren, and we thank all of his family for that and we congratulate John and all of the family.

We also, I know, as a whole House, will want to congratulate Christian, and Samuel also, on his appointment now as Gibraltar's Deputy Mayor and Gibraltar's next Mayor.

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

Mr Speaker: I now put the question, which is that this House appoints Mr John Gonçalves MBE GMD to be Mayor of Gibraltar as from Thursday, 4th April 2019, and that Christian Santos be appointed as Deputy Mayor to take over the role of Mayor after John Gonçalves. Those in favour? **(Members: Aye.)** Those against? Carried. *(Banging on desks)*

Clerk: (ix) Bills for First and Second Reading.

Chief Minister (Hon. F R Picardo): Mr Speaker, for all the reasons that I set out in my opening Statement and for all the reasons hon. Members see played out on their television screens, I move that the House should now adjourn to Monday, 25th March at 11 a.m.

Mr Speaker: The House will adjourn to Monday, 25th March at 11 in the morning.

The House adjourned at 4.25 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.04 a.m. – 12.19 p.m.

Gibraltar, Monday, 25th March 2019

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The Gibraltar Parliament

The Parliament met at 11.04 a.m.

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

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

Amendments to neutral motions – Ruling by Mr Speaker

Clerk: Meeting of Parliament, Monday, 25th March 2019.

Mr Speaker: Before we proceed with this morning's parliamentary business, I want to make a ruling.

Members will recall that I have for some time now been encouraging you to use the mechanism of a neutral motion.

The Chief Minister, on 14th March 2019, gave notice that he intended to table a motion requesting that 'This House notes the Tax Treaty between Gibraltar and Spain entered into on 4th March and signed by the Rt Hon. David Lidington MP, the Chancellor of the Duchy of Lancaster, on behalf of Gibraltar, given the United Kingdom's responsibility for Gibraltar's external relations.' The next day, 20th March 2019, the Hon. Roy Clinton gave notice that he intended to amend the Chief Minister's motion.

It is my considered view that the motion tabled by the Chief Minister is couched in neutral terms. The Standing Orders of this House do not provide for neutral motions. Accordingly, Standing Order 55 applies, and this states:

(1) In cases of doubt the Standing Orders of the Parliament shall be interpreted in the light of the relevant practice of the Commons House of Parliament of Great Britain and Northern Ireland.

(2) In a matter for which these Standing Orders do not provide, the said practice shall be followed, but no restrictions which the House of Commons has introduced by Standing Order shall be deemed to extend to the Parliament or its Members until the Parliament has provided by Standing Order for such restriction.

In the case of the House of Commons, Rule 24(b) of the House of Commons Standing Orders Public Business 2018 provides – and I have consulted a copy of these, which I have with me:

Where, in the opinion of the Speaker or the Chair, a motion, That this House, or, as the case may be, the committee has considered the matter, is expressed in neutral terms, no amendments to it may be tabled.

This is corroborated by *Erskine and May* in its 24th edition at page 409, which states:

No amendments may be tabled to a motion that the House has considered a matter expressed in neutral terms pursuant to Standing Order 24B.

I then instructed the Clerk to seek guidance from the Clerk of the House of Commons enclosing a copy of the Chief Minister's motion together with the Hon. Mr Clinton's proposed amendments, and after receiving their advice it is my ruling that where a motion is expressed in neutral terms no amendments to it may be tabled.

Therefore, in the light of the above ruling, I have concluded that the Hon. Mr Clinton's amendments would undermine the neutrality of the Chief Minister's motion and are therefore

not admissible. This does not mean that the hon. Member cannot rehearse his arguments during the course of the debate on the motion or indeed table a substantive motion in due course.

It is not the practice after a ruling of the Speaker for any Member to stand and speak on the matter.

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Hon. R M Clinton: Can I make one observation, Mr Speaker?

Mr Speaker: No, I am sorry. That is the procedure here and elsewhere.

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Hon. R M Clinton: Just one small thing?

Mr Speaker: No, that is the practice in the Mother of Parliaments and I follow that practice. I have previously rehearsed that situation. There have already been occasions when I have made a ruling, and I am sorry but hon. Members cannot speak on that ruling.

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What they are able to do if they wish, for instance, to challenge the ruling is to bring a substantive motion to do so. That is the practice of Parliament.

Hon. R M Clinton: Can I just make one point of order?

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Mr Speaker: I honestly do not think that you can make a point of order arising from a Speaker's ruling.

Hon. R M Clinton: It is for the House's benefit, Mr Speaker. I am not going to say anything about what you have just said.

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Mr Speaker: Let us carry on with the business.

I am very sorry, but I am following the well laid down practice here in Gibraltar, which I myself have previously ruled, and in the House of Commons. When the Speaker makes a ruling, that is the end of the matter. That is the opinion and the ruling of the Speaker, and the only way that the rules provide for the matter to be taken up is by means of a substantive motion where the hon. Member may do as he pleases.

55

Call the next business now.

Order of the Day

BILLS

FIRST AND SECOND READING

Sanctions Bill 2019 – First Reading approved

Clerk: (ix) Bills for First and Second Reading.

60

A Bill for an Act to make provision enabling appropriate sanctions to be imposed including in respect of any persons, entities, groups, organisations, States and territories for the purposes of the security of Gibraltar or international peace and security or in any other circumstances where

it would be appropriate to do so and for implementing in Gibraltar any restrictive measures imposed outside Gibraltar; and for connected purposes.

The Hon. the Chief Minister.

Mr Speaker: Just for the record to say that for both this Bill and the next one I have received certification from the Chief Minister that they are urgent.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to make provision enabling appropriate sanctions to be imposed including in respect of any persons, entities, groups, organisations, States and territories for the purposes of the security of Gibraltar or international peace and security or in any other circumstances where it would be appropriate to do so and for implementing in Gibraltar any restrictive measures imposed outside Gibraltar; and for connected purposes should be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to make provision enabling appropriate sanctions to be imposed including in respect of any persons, entities, groups, organisations, States and territories for the purposes of the security of Gibraltar or international peace and security or in any other circumstances where it would be appropriate to do so and for implementing in Gibraltar any restrictive measures imposed outside Gibraltar; and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Sanctions Act 2019.

Sanctions Bill 2019 – Second Reading approved

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move that the Bill for the Sanctions Act 2019 be read a second time.

Mr Speaker, this Bill provides for a new regime to implement both international and domestic sanctions in Gibraltar. These sanctions include financial sanctions, immigration sanctions, trade sanctions, aircraft sanctions and shipping sanctions.

The Bill creates two separate regimes. The first, contained in Part 2, provides for the automatic recognition and enforcement of international sanctions regimes in Gibraltar without the need for further implementing legislation. These include restrictive measures imposed by the UN Security Council, by the European Union, the designations made in the UK and under its terrorism legislation. The second regime, in Part 3, is for domestic sanctions that may be imposed by regulations for a number of different purposes, including the prevention of terrorism, the financing of terrorism, the proliferation of weapons of mass destruction, etc.

Mr Speaker, there are a number of amendments to the Bill which I will be proposing at Committee Stage. These amendments are both the result of an audit of the Bill taking into account Gibraltar's international obligations and also feedback from stakeholders received after the Bill was published. Indeed, Mr Speaker, I understand that hon. Members have had notice of these amendments now since 7th March when I sent those amendments to you.

Mr Speaker, Part 1 of the Bill comprises clauses 1 to 5 and includes the general introductory and interpretive provisions.

The international sanctions regime comprises clauses 6 to 14 of the Bill, which is the Bill's Part 2.

Clause 6 describes the purpose of that Part, which is to provide for the automatic recognition of sanctions imposed by the United Nations, the EU or the United Kingdom. This means that

international sanctions will not require implementing legislation in Gibraltar and will have immediate effect as soon as they are made. This Part, and in particular clause 6, are aimed at satisfying the Financial Action Task Force requirements for international sanctions to have almost immediate effect.

This clause is subject to two amendments which I will be proposing at Committee Stage. They are both future-proofing amendments and set out that any restrictive measures imposed by the United Kingdom under the Sanctions and Anti-Money Laundering Act 2018 will have effect, and in relation to any restrictive measures that have been imposed by both the United Kingdom and the European Union the restrictive measures imposed by the UK shall take precedence. These amendments are to ensure that, moving forward, Gibraltar and the United Kingdom's sanctions regimes in relation to international sanctions are fully aligned.

Clause 7 is the enabling provision that accords legal effect in Gibraltar for such international sanctions. Mr Speaker, at Committee Stage I will be proposing an amendment to this clause following comments that have been received on the draft. The amendment is there to ensure that any modifications necessary to adopt international instruments to our law maintain the minimum standards of those international instruments.

Clause 8 provides for judicial notice to be taken of the lists that are produced and imposes an obligation on persons undertaking relevant financial services business to have procedures and policies in place which ensure that they are aware of the list of persons to whom sanctions apply and that they undertake the appropriate checks in respect of such sanctions when undertaking relevant business – in fact, it is relevant financial business, not just financial services business. There is also an amendment to this clause which includes the United Kingdom's list in its scope, Mr Speaker.

Clause 9 creates the offence of breaching international sanctions, whereas clauses 10 and 11 provide for licences to be issued where these are permitted under the terms of international sanctions and also creates the offence of breaching the terms of the licence.

Clauses 12 to 13A set out procedures for Gibraltar to make requests of the United Nations or other bodies for particular listings or de-listings to be made. Mr Speaker, I will be proposing amendments to clauses 12, 13 and 14, again as a result of comments that have been received on the draft. These amendments set out on the face of the legislation the objective standard of proof that is required for such a designation proposal and that the designation proposal is not reliant on there being criminal proceedings instituted, and also what needs to accompany such a proposal and the manner in which proposals are to be made. The amendments also set out the manner in which such requests are sent to the appropriate bodies.

Part 3 deals with domestic sanctions. The main power for imposing sanctions is contained in clause 15. This is a regulation-making power which may be used in two different instances. The first is where the purpose of the sanctions falls within subclause (2) of that clause. The second is where the purpose is compliance with an international obligation. Although Part 2 provides for the direct recognition of international sanctions, the power in 15(2)(b) is included so that there is the opportunity to respond to any international sanctions by specific legislation where that might be considered appropriate, particularly if the nature of the international sanctions is difficult to transpose otherwise into the Gibraltar context. Also, there is an inbuilt facility which is future-proofing in case it is considered appropriate to impose sanctions as a result of obligations that may arise outside of the UN/EU context. The list of purposes for which sanctions may be made is largely those available to Her Majesty's Government under the United Kingdom's Sanctions and Anti-Money Laundering Act. These include the prevention of terrorism, the financing of terrorism, the proliferation of weapons of mass destruction, the interests of security, providing accountability with respect to human rights, etc.

Mr Speaker, there is an amendment to clause 15(1), which has been made to reflect the Governor's special responsibilities under the Constitution with respect to external affairs and internal security as well as clarifying the standard that needs to be met for such regulations to be made.

Clauses 16 to 16B build upon clause 15, including setting out procedures and tests to be followed where there is a request for a designation from outside Gibraltar. Mr Speaker, I will be proposing an amendment to clause 16B and a new clause 16C, which respectively set out the evidentiary standard approved to be applied in making a determination in respect of a request received from outside Gibraltar and the making of such requests from Gibraltar.

Clauses 17 to 21 set out the types of sanctions that can be made. These are financial sanctions, immigration sanctions, trade sanctions, aircraft sanctions and shipping sanctions.

Clause 22 as read with clause 15(5)(f) allows for domestic sanctions to be imposed as a result of any international obligations where these are required because the international sanctions cannot be complied with. Separately, the Chief Minister may also invoke this power where he deems international obligations are better implemented or enforced by regulation.

Clauses 23 to 26 are provisions that allow for persons, groups and ships to be designated.

Clause 27 provides for exceptions and licences. These exceptions may be made under regulations made under regulation 15, for example to make provisions for reasonable living and legal costs to be made. In addition, regulations may provide for the issue of licences where this is an appropriate avenue to provide particular exceptions.

Clause 28 is an information-gathering power that may be included in regulations made under clause 15. This is aimed at allowing for relevant information to be obtained and also to make information gathering from records or registers an obligation in relevant circumstances.

Clause 29 provides for the enforcement powers that may be included in regulations under clause 15.

Clause 30 allows for the extraterritorial application of regulations where conduct occurs in Gibraltar or outside Gibraltar by a Gibraltarian or a Gibraltar resident.

Clauses 31 to 36 apply to persons who have been designated and to ships that have been specified under the review procedures that are required in respect of the constitutional and human rights of those who have been subjected to sanctions.

Clauses 37 to 39 provide for the review mechanisms for the regulations that are made under clause 15.

Part 4 of the Bill contains provisions allowing for a review by the court of a number of decisions made under the Bill, including decisions regarding reviews of designation.

Part 5 contains general provisions, including the general penalty for the commission of an offence under the Bill.

Mr Speaker, if the House will just bear with me for a moment before I commend the Bill to them ... I am conscious that in the preparation of this Bill, because we have had to consult so widely, hon. Members will have seen and I have referred to the fact that there are numbers which are 16A etc. The Bill has had sections inserted to it once the format of it has been agreed. Mr Speaker, I intend to ask, with the leave of the House, that the draftsman should, before final publication, renumber the Bill so that it is numbered appropriately from section 1 through to its final section without it having to have the capital A sections inserted to it, which is something that has arisen in the course of the preparation of this Bill.

This is a Bill that is essentially required also because as a result of leaving the European Union we are leaving that sanctions regime and we need to make provision for it, but it will be future proofed and will be well received in the context of the international compliance by Gibraltar in particular of the Financial Action Task Force's own approach to sanctions.

Just anecdotally, Mr Speaker, before I sit down, hon. Members should know that one of the things that the Chief Minister of Gibraltar does a lot of almost every morning is sign legal notices in respect of sanctions which are being applied to individuals around the world since the invasion of part of Ukraine. One of the things that is constant and hon. Members will have seen in the Gazette is that the European Union is imposing sanctions on different people in the Ukraine, indeed on assets in the Ukraine. The European Union has named even those military officers who were in charge of vessels at the time of that conflict, and so there is a constant stream of people that are being subjected to sanctions. Our current regime requires that the

incumbent of the office of Chief Minister sign off all of these things every morning, so this is a more effective way of dealing with that requirement which I therefore entirely endorse and I commend the Bill as a whole to the House, Mr Speaker. *(Banging on desks)*

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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. the Leader of the Opposition.

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Hon. E J Phillips: Mr Speaker, I am grateful to the Chief Minister for comprehensively addressing his amendments to the Bill as notified to the Parliament and going through a number of the clauses in respect of this important Bill. This Bill will have the full support of this side of the House.

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Hon. Chief Minister: Mr Speaker, I am grateful for that indication from the hon. Gentleman, not just hon. Gentleman but all Members of the Official Opposition. I do not know what position the hon. Lady will take, but I am sure it will be supportive from the indications that she has given. Therefore, Mr Speaker, I would suggest that when we are dealing with the amendments in Committee – hon. members have the letter – if possible, we take the Bill as including those amendments, with the Clerk calling those out as appropriate.

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Mr Speaker: I then put the question, which is that a Bill for an Act to make provision enabling appropriate sanctions to be imposed including in respect of any persons, entities, groups, organisations, States and territories for the purposes of the security of Gibraltar or international peace and security or in any other circumstances where it would be appropriate to do so and for implementing in Gibraltar any restrictive measures imposed outside Gibraltar; and for connected purposes be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

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240

Clerk: The Sanctions Act 2019.

**Sanctions Bill 2019 –
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.

245

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

**Tobacco (Amendment) Bill 2019 –
First Reading approved**

Clerk: A Bill for an Act to amend the Tobacco Act 1997.
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 Tobacco Act 1997 and for connected purposes be read a first time.

Mr Speaker: I put the question, which is that a Bill for an Act to amend the Tobacco Act 1997 and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Tobacco (Amendment) Act 2019.

**Tobacco (Amendment) Bill 2019 –
Second Reading approved**

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

This Bill amends the Tobacco Act 1997 by the insertion of a new section 4A for minimum retail prices of tobacco and a new section 6(4)(c).

The Bill arises from the need to amend the Tobacco Act in order to create the legislative framework for Gibraltar to give effect to the new regime for the retail pricing of tobacco in our market. This is set out in part in the Memorandum of Understanding on Tobacco under the Withdrawal Agreement. All hon. Members will know that the MoU on Tobacco follows the position that the Government has been putting to this House for all of the period since we have been elected.

We have put up the price of tobacco by over 148% since we were elected. I have repeatedly said that the price of tobacco is only moving in one direction. It is on an escalator and I have, in effect, demonstrated that in Budget after Budget. Additionally, we have also been loading the deck in favour of our law enforcement agencies by adding layers of controls and powers to those that are available when dealing with the illicit trade in tobacco. We are, however, always going to ensure that our legitimate trade in tobacco is not affected by the untruths told about it in the international press usually, if not exclusively, at the suit of Spain.

So, in creating a new regulation to give the Collector of Customs the power to restrict the price at which tobacco can be sold at retail what we are doing is protecting our legitimate duty-free market in tobacco retailing whilst at the same time continuing our agenda of raising the price of tobacco to do two things. The first is to reduce the price differentials with Spain from those which would encourage an illicit market. The second is to continue to make tobacco a less attractive commodity for those who are hooked on it. The reason for this is driven by pure public health considerations. Indeed, Mr Speaker, no one in the world now thinks that tobacco is anything other than bad for the health of those who smoke. In that sense it is also bad for governments that provide universal healthcare for all, as it causes myriad different health problems. That is why I have consistently said to this House that the price of tobacco is on that constant escalator that I referred to earlier.

This Bill creates a separate and potentially sharper escalator for retail tobacco prices. The provisions of the MoU that are relevant on tobacco are those set out in Article 1 of it, which provides as follows:

The Government of Gibraltar, being concerned about the health consequences of smoking and the existence of an illicit trade in tobacco in the area around Gibraltar, alongside the legitimate market in said commodity, has committed to ensure that, by 30th June 2020 the average retail price differential of tobacco products (cigarettes, cigars, fine cut tobacco, and other tobacco products) will be no more than 32% greater than the most recently published Spanish prices for the equivalent tobacco products in mainland Spain and the Balearics. The commitment on retail price differential will not apply to duty free sales of tobacco products to passengers in ports and airports. For cigarette products the market will be divided into four categories of product: premium

cigarettes, mid-high cigarettes, mid-low cigarettes and lower-price cigarettes with a minimum price provided for each category. For fine cut tobacco, the market will be divided into two categories of product: premium and non-premium with a minimum price provided for each category.

The Gibraltar competent authorities will set minimum retail prices for each of the categories of tobacco products, which will be published quarterly in the Gibraltar Gazette. The necessary mechanisms will be put in place to ensure effective compliance by all retailers with the minimum prices provided for in the law.

This is what the Bill will enable, Mr Speaker, but not require. This is an important distinction. This is a Bill for an enabling Act, not a prescriptive Act.

290 Section 4A of the Bill is the section that allows but does not require the Collector of Customs to publish on a quarterly basis by notice in the Gazette minimum retail prices of tobacco. This is therefore an enabling power.

295 The Collector of Customs, however, may only publish in situations where he has proceeded to divide types of tobacco sold in Gibraltar into different categories. If the Collector of Customs categorises such tobacco, a requirement to publish arises. It must be highlighted that the minimum retail prices of tobacco as published by notice by the Collector of Customs do not apply to duty-free premises within the departure and arrivals halls of Gibraltar International Airport, the cruise liner terminal and the ferry terminal, or any other duty-free premises designated by order by the Collector of Customs.

300 As it stands, section 6(4) currently contains conditions pertaining to the issue of a retail licence. The inclusion of a new subparagraph (c) within this section now additionally requires holders of retail licences to adhere to the minimum retail prices published by the Collector of Customs in the notice as published in the Gazette from time to time. Failure to do so constitutes a breach of the retail licence and would be dealt with in accordance with the provisions of the Tobacco Act 1997.

305 Lastly, Mr Speaker, at the Committee Stage I shall be moving an amendment to clause 4 of the Bill to substitute the reference to 'Tobacco Act 1997' with 'this Act'. This is just to make a better and more appropriate reference grammatically to the Act. It is the Tobacco Act 1997 that is being referred to, but as it is in the Act itself that the reference will be contained, it is more appropriate from a drafting point of view to refer to 'this Act'.

310 This clause is in place to cover existing retail licences issued before the commencement of the Act in order to make them compliant with the provisions contained therein, namely adherence to the minimum retail prices of tobacco as published by notice by the Collector of Customs.

315 Mr Speaker, regulating the retail price of tobacco in Gibraltar, whether agreed with others or otherwise, is a good thing. It is an important part of better regulating our market in this commodity. That is what this Bill before the House does and I therefore commend the Bill to the House. *(Banging on desks)*

320 **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. the Leader of the Opposition.

325 **Hon. E J Phillips:** Mr Speaker, whilst we agree with the Chief Minister's comments in relation to tobacco smoking being bad for the health of our community; we wholeheartedly accept that insofar as what the Chief Minister says in relation to the changes made to the law to increase the powers available to our law enforcement agencies to tackle the illicit activity in tobacco, and we again support those measures that the Chief Minister speaks about today.

330 Mr Speaker, we would also, in relation to the control of tobacco pricing as a social measure, in principle ... This is something, of course, that will enjoy support from many of us on this side of the House, but we have been clear as to the Memorandum of Understanding on Tobacco. We have said the Memorandums of Understanding are bad for Gibraltar and therefore we will be voting against this Bill.

There is nothing, in our view, that secures enduring benefits for our community. This deal provides for Spain having a say in our affairs and it protects frontier workers permanently. We have, on numerous occasions, raised serious concerns about the Government's lack of strategic direction and inconsistency in respect of Brexit. We believe it was wrong for the Chief Minister of the day to align himself with the Prime Minister, it was wrong of the Chief Minister not to pursue a differentiated position for the people of this community and it was wrong for the Chief Minister to give away the biggest bargaining chip, on frontier workers, without obtaining anything permanent and enduring for Gibraltar.

We have said on many occasions that the Memorandums of Understanding do very little to advance the interests of this community. The Memorandum of Understanding in substance allows encroachments into our domestic affairs by Spain in relation to matters concerning our waters, the environment, fishing and tobacco. The Tobacco Bill, therefore, Mr Speaker, on the face of it, is tied inextricably to the Memorandum of Understanding and we believe that the Memorandum of Understanding is not in our community's wider interest and we will not support it.

Mr Speaker: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, the Tobacco Act brings about some material changes affecting retailers in Gibraltar, but in the first instance and on behalf of the many tobacco retailers in Gibraltar who have made representations to me, I have to ask the question: why is Government in such a hurry to pass this Bill now, and can this be better explained to the tobacco retailers of Gibraltar? As far as we know, if Mrs May's deal were to go through, the EU would still give the UK time to pass the relevant legislation, so the rush to pass this Bill through is still unclear.

Further, what is the sense in passing this Bill without the existence of the Withdrawal Agreement, as governments should be taxing according to their policies but should not interfere with market forces by setting selling prices?

Furthermore, Mr Speaker, in clause 4A(1) it says:

The Collector of Customs may divide types of tobacco sold in Gibraltar into different categories.

I have to ask: will this apply to all brands – premium brands, cheap brands, English brands?

In clause 4A(2) it also says that the Collector of Customs will publish minimum retail prices in the Gazette. Once the prices are set out by the Collector of Customs, how will they know if the retailers are really selling at minimum prices, and will Customs do the patrolling to make sure that these prices are abided by? Many retailers are very confused, so further explanation of the mechanisms of this would be very much appreciated.

Also, the Bill allows wholesalers to sell tobacco at the same prices as previously, while retailers cannot, given that they will have a minimum selling price. Does this reality not have the propensity to skew the market as the trade could shift to the wholesalers directly?

In addition, in clause 4A(3) it says:

The minimum retail prices published by the Collector of Customs in subsection (2) shall not apply to duty free premises within the Departure and Arrivals Halls at the Gibraltar International Airport, Cruise Liner Terminal and Ferry Terminal or any other duty free premises designated by the Collector of Customs by order in the Gazette.

I do not know whether the Chief Minister is aware of this, but cruise passengers are actually buying tobacco on their way into town on disembarkation from the ship, walking into town with the duty-free prices and actually turning them for a profit, because they can, and I can vouch for this as I have seen it with my very own eyes. This is causing unfair competition at the very minimum, taking into account that they then stroll through town and see the shops in town

advertising higher prices than the ones in the terminal. The tourists then rebuy the tobacco on their way back on to the ship. So how are traders supposed to compete fairly?

380 Mr Speaker, for reasons of principle, conscience and in terms of public health and environmental implications and the like, I would like to be able to support this Bill but would just appreciate some clarification of what I have stated above in light of what I see as some contradictions, inconsistencies and pitfalls in this piece of legislation.

Thank you.

385 **Mr Speaker:** Does any other hon. Member wish to speak on the Second Reading of the Bill? I will ask the mover, the Chief Minister, to reply.

Hon. Chief Minister: Mr Speaker, I am grateful for the Hon. the Leader of the Opposition indicating his party's support of all of the principles underlying the bringing of this Bill. I was
390 therefore a little surprised to see where he went with the rest of his speech, because if somebody considers that what a piece of legislation does is the right thing to do for the right reason, how can that person vote against the legislation in question simply because it arises also in the context of an agreement done internationally?

There are many reasons not to agree to do things because Spain might think that they are a
395 good thing, but there are also many things on which we all agree in the western world – even, dare I say it, with Spain. When we passed the Terrorism Act the hon. Gentleman must have known that there are agreements at international levels between governments, including the government of the United Kingdom and the government of Spain, in respect of the control of terrorism. So, is it that because there is, somewhere in the chain, an agreement between the
400 United Kingdom and Spain to which Gibraltar is also agreeable, it is a good reason to vote against a Bill before this House? Of course, it is not, Mr Speaker, but hon. Members simply want to make the point that they are against this because it is connected to the mechanisms that we have strategically pursued under the requirements that we are going to leave the European Union.

405 Mr Speaker, I think it is the first time in this House that somebody gets up and says, 'This is the right thing to do but we won't do it because you have agreed this with Spain.' I read to the House that part of the Memorandum of Understanding that deals with the agreement as to prices. It is not a requirement. If hon. Members go to the MoU, there is not a requirement on Gibraltar; there is a reflection of what Gibraltar is going to do – I have already read that Article
410 into the *Hansard* – but that is not to give anybody a say in our affairs by any stretch of the imagination.

I think hon. Members are pursuing the principle that if you repeat something which is manifestly untrue often enough, it might persuade some people that that is the truth. They can pursue that politics again, if they wish to. They did it in the context of the LNG facility that we
415 are now about to see finally commissioned and operating. They have done it in myriad other instances. It just does not stick, because if there is one thing that is true it is that the electorate is always cleverer than the politicians and the electorate sees through any attempt to obfuscate or to mislead that politicians may come up with. So, the fairer thing to do is just to tell our community all of the facts and let them decide for themselves.

420 There is no say in our affairs for Spain. Or is it that hon. Members have not worked out – since they lost their corporate memory in the shape of almost all those who were in government with the party the initials of which they carry, clearly all of the decision makers in the governments of the party the initials of which they carry – of how the price of tobacco is set in Gibraltar? It is absolutely straightforward and normal that if you have a territory with a land
425 border to another territory, one of the ways that you fix the commodities that are subject to arbitrage is by looking at the price in the other territory. I will tell them something for nothing, in case they did not know: every time I have dealt with the price of tobacco in the successive Budgets I have dealt with the price of tobacco putting the price of tobacco up by 148% since I

was elected, I did it by looking at the price of tobacco in Spain – or is it that they have not
 430 worked that out? – because it is the way that they used to do it as well. The rule of thumb has
 been to look at when the price goes up there, so the price goes up here. But price, of course, in
 Gibraltar, because we have a different currency, is also subject to the vicissitudes of the changes
 in the value of the currency. That is the way that successive Governments of Gibraltar have fixed
 the price of tobacco. It does not give anybody a say in our affairs. Or is it that other contiguous
 435 countries that have similar agreements are giving says in their affairs to their neighbours? It is
 absolutely ridiculous.

The hon. Gentleman makes my case even easier to prove when he says that the structure of
 the MoUs as a whole gives Spain a say in our affairs. That is what he said in dealing with this part
 of the Bill. Well, Mr Speaker, it is a part of the MoUs which is unilateral, where Gibraltar is
 440 unilaterally giving a commitment. All of the others – and he referred in particular to the
 environment – are reciprocal; in other words, both sides agree to do the same thing to each
 other. So, he gives me the opportunity to say again – I think because he has not understood it,
 but I will say it again – that if we have given Spain a say in our affairs in any aspect of the MoUs
 which he has referred to, like the environment, because they are reciprocal then Spain has given
 445 us a say in their affairs.

If they wanted to attack the MoUs, I will give them this piece of advice – and they never
 follow my advice, so I will be very pleased if they continue doing what they are doing to date: do
 not suggest that the effect of the negotiation that the Deputy Chief Minister, the Attorney
 General, the Financial Secretary and the Chief Minister of Gibraltar have run has been to manage
 450 to get control, sovereignty or jurisdiction or say over the affairs of Spain, because it would be the
 greatest political negotiating victory since Robert the Bruce. *(Laughter)* It is remarkable that the
 hon. Gentleman is saying that we have given Spain a say in our affairs in respect of areas of
 reciprocal compromise.

So, just so that I spell it out for him, when he goes to the estates – I do not know whether he
 455 knows where the estates are, Laguna, Glacis, all these other estates that he sometimes visits at
 election time *(Interjection)* – if he wants to make an argument which might somehow enable
 him to pretend that the GSD are the hard guys on sovereignty and the GSLP are the soft guys, let
 alone the Liberals on issues of sovereignty, he should not make the argument that we have
 achieved the greatest negotiating coup in the history of negotiation, because it will not persuade
 460 anyone.

Why am I giving him this advice? I do not know, Mr Speaker. I must have some sort of
 residual affection for him, because what he is doing is making my argument easier. We have not
 given Spain any say in our affairs whatsoever, but the suggestion at the same time that he
 logically must therefore be conceding, if he maintains that position, that we have given them a
 465 say in our affairs and therefore we have got a say in their affairs, runs completely contrary to the
 suggestion that we have no strategic direction. Or is it that he is saying that we have by mistake,
 accident and error obtained a say in the affairs of Spain? Or is it that he does not think through
 the things that he is saying with logic?

There could be nothing more dangerous than somebody holding themselves out to run this
 470 nation who does not think through the principles that they set out in the speeches that they give
 and the natural, logical consequences of what they have said. That is that perhaps even more
 dangerous, Mr Speaker, because we do have strategic direction – strategic direction that has
 been explained insofar as is possible whilst not denuding ourselves of strategic advantage to the
 whole community and to them in private.

Mr Speaker, sometimes I am struck by the fact that hon. Members say the Government is not
 saying enough. When we meet them and we give them a briefing and they go on television they
 say, 'Well, look, I know what's going on but I can't say more because it wouldn't be in the
 interest of Gibraltar.' That in itself demonstrates that there must be some strategic direction
 that they appreciate in what we tell them, because they agree that they should not then go and
 480 say more about it – not because I would not want to bring into my confidence the 32,000 people

of Gibraltar, but because of course there are others who are machinating to damage us and we have to ensure that we do not. So, there is a lot of strategic direction and if hon. Members bother to look at the logical consequences of the things that they say and have said, they will realise that they accept that there is strategic direction.

485 Mr Speaker, that it is not the Government's policy to have found a differentiated solution for Gibraltar of course is also contrary to the facts and to what the hon. Gentleman is saying. One of the reasons that they object to the MoUs is because they differentiate us from the rest of the United Kingdom in the Withdrawal Agreement. Therefore, we have differentiated for Gibraltar. But the first time that somebody used the terminology 'a differentiated solution for Gibraltar' it
490 was on my lips, not theirs, and I was roundly criticised by them for suggesting that there had to be a differentiated solution. We have a differentiated solution, not as differentiated as we might have liked because we would have liked to have stayed in the European Union, finding a mechanism that might have allowed those nations of the United Kingdom and Gibraltar to have stayed in the European Union whilst those nations of the United Kingdom that had voted to
495 leave might have left. That would have been the zenith of differentiation. We were not able to achieve it. It is obvious. Neither would they have been able to achieve it. Or is Elliott Phillips saying that if he had been the Chief Minister of Gibraltar he would have persuaded Theresa May, Boris Johnson, then the Foreign Secretary and now Jeremy Hunt, and everybody else to have given Gibraltar the differentiated solution that Michael Llamas, Joseph Garcia, Albert Mena and Fabian Picardo were not able to persuade them to give us? Is that what they are saying? This has
500 no logic behind it. This is a differentiated solution, even if not as differentiated as we might have wanted.

In any event, what hon. Members do not seem to appreciate in the criticisms that they constantly put is that they are falling into the trap of those in the United Kingdom who are
505 criticising the Withdrawal Agreement as if it were the permanent solution for post-EU life. It is not. This is the mechanism for leaving the European Union. This is not the future relationship between the United Kingdom and the EU. This is the mechanism for leaving with a managed exit.

A differentiated future relationship with the European Union is something else, on which hon. Members opposite are obviously bitterly divided, as bitterly divided as they are on whether
510 we should be leaving the European Union or not, because members of the party opposite's executive are saying we should leave without a deal – and if the hon. Gentleman is shaking his head he should just look at the Twitter feeds of some of the members of his executive. I am sorry, it is not his executive; it is the executive of somebody else who is not in this House. *(Laughter)* Other members of the executive on which he also sits are saying we should leave
515 without a deal, that the European Union is a bad thing and we should leave immediately and without a deal. Others, rightly, are marching for a second referendum because they agree that we should remain in the European Union. Revoke, referendum, remain; the three Rs. Well, Mr Speaker, with that I agree, it has been our position all along, but when it comes to the future relationship, what I was dealing with now, they are bitterly divided because the one who is not
520 here – I do not mean the one who is never here because he is not a member of here; I mean the one who is not here because he is away on the demonstration – has said that in the future we should have exactly the same relationship as the United Kingdom has, and on some occasions has said something slightly different. No surprises there. And now the hon. Gentleman is saying we should have a differentiated solution not just for leaving – he must be talking about the
525 whole of the future.

Mr Speaker, we do not know whether we will have a differentiated solution going forward or not but let's be very clear: there are many different shades of differentiation. There is a nation to our north that has said that we must have a differentiated solution. In other words, nothing that the United Kingdom and the European Union agree will apply to Gibraltar. That is a very
530 differentiated solution. So, at the moment, Mr Speaker, his position and the position of the Government of Spain might be indistinguishable. But again it is logic. When you think things

through you see all of the dangers in what one might say in an exuberance of spittle that then drives you up the wrong way up a one-way road.

Mr Speaker, I was particularly shocked by the unfair, ill thought through and frankly morally bankrupt approach that the hon. Gentleman has suggested we should take to frontier workers. To say that we should have used frontier workers as a bargaining chip demonstrates that the hon. Gentleman has very little regard for workers: somebody who comes to Gibraltar to work every day; who is, as I have said consistently since I was elected and have been delivering Budgets, is a part of our economic success; who, as much as he and I, wishes that Gibraltar was going to remain in the European Union; who is suffering the devaluation of the pound more than he and I, because he or she changes money into euros every week. That we should have used them as a bargaining chip and to say so explicitly, as he has, cannot be defended.

The most rabid Brexiteers in the United Kingdom have been saying from the first moment that the Prime Minister should not use EU citizens in the European Union as bargaining chips. It has been the one thing on which there has been unanimity across the 650 Members of the House of Commons, Mr Speaker. It is the one thing on which there has been almost unanimity across the European Union because matters of international relations operate on the basis of reciprocity.

What does the shining light of logic that I am replying to think would have happened if Gibraltar had pretended to use frontier workers as a bargaining chip? What does he think would have happened to us? Does he think that we would have been included in the Spanish provisions in law for no deal? Does he think that we would have been included in the Withdrawal Agreement? Does he think that that is the way to drive a hard bargain? Does he think that that is the way to hold the moral high ground in international relations, to hold people hostage? Is that how the hon. Gentleman thinks that we should be running our affairs? Although he might think it might make a sweet headline that may make him seem like the tough guy, his toughness would have lasted a moment. His arguments would have been turned to ash. He would have lost the support of every ambassador in Brussels and every head of government in Brussels. He would have made Gibraltar's arguments absolutely impossible to defend if he had polluted our position in that way. That is the most dangerous approach that we could have taken.

Mr Speaker, I really do think that at this time in our affairs, of course we can have disagreements about the MoUs and the detail of them, of course we can have disagreements, and hon. Members are paid a very good wage to find those areas of disagreement and rightly highlight them and point them out. That is their role. I am going to deal with an hon. Member who has done that now, in the context of the hon. Lady's interventions in respect of this Bill. But to plumb the depths of how to negotiate with the idea that we explicitly, as a strategic objective, set out to use the most vulnerable workers as a bargaining chip shows that this man should not be in the casino of politics, because that is obviously how he sees this. He sees this as a casino and I am not ready to use people as bargaining chips and I am not ready to take risk with our nation, which is what he would have done if he had pursued that alleged strategy. Much better the strategic objective we have pursued to ensure that Gibraltar is protected in every eventuality, that our people of course come first but that also we ensure that those who come to Gibraltar to add to our wealth can continue to do so.

Mr Speaker I am not surprised, however, that the hon. Gentleman has taken this attitude to workers because when he was asked in a recent television programme whether he committed himself to the labour standards of the EU after we have left the EU, all he said was that he was very impressed by the document produced by Unite on apprenticeships. He did not give that commitment, a commitment which this Government has given before the referendum, during the referendum campaign and after the referendum campaign.

Mr Speaker, turning to a much more edifying, although equally disagreeable in some respects, contribution from the hon. Lady – I will point out to her where I disagree with her – I do not believe that it is right to say that tobacco retailers are all of one mind thinking that this is a bad thing. I have met many tobacco retailers and I have met all the tobacco wholesalers. Why

have I met all of one and only some of the others? For a simple reason. The hon. Lady will know that there is not a handful but I think 12 or 20 wholesalers and there are over a couple of hundred retailers and therefore it is easier to meet one lot and not the other, but a lot of the retail activity is in retail outlets owned by wholesalers also. The tobacco retailers I met and the wholesalers I met fully understand what the implications of this Bill are, but in case some hon. Members do not understand it I will make it a little clearer.

Today, the differentiated price between some premium brands of tobacco between Gibraltar and Spain is in the region of between 25% and 28%. In other words, we are closer in price to Spain than the MoU, when it is, in June 2020, will require us to be. So, a top premium brand will, under the MoU requirements, have to be at a 32% price difference between Gibraltar and Spain. That top premium brand today is between 28% and 25% difference with Spain – and people still buy it. Some of the cheaper brands may not be within that price differential and will be in the future. So, what we have detected – and this is our own law enforcement telling us this – is that we have some illicit activity, a lot less than we had in the past, still ongoing because some retailers are selling in excess of the requirement of their licences in the number of transactions that they do with some people; not all, of course, the vast majority of tobacco retailers comply with the requirements of their licences and comply with the law. So, it has become clear to us that the problem area in tobacco is in the retailing of tobacco in some particular respects, in some particular brands.

Dealing with the issues that the hon. Lady raised, I shall start first with the issue as to mechanism. Why is there a need to do this Bill, even if there is not a Withdrawal Agreement? Well, I do not know whether the hon. Lady is clairvoyant and knows what is going to happen – if she is, she should please share with me and perhaps even with the Prime Minister an insight into what is going to happen – but nobody knows whether there will be a Withdrawal Agreement later on today or the middle of this week, or next week, or not at all. In fact, I would say that, for the first time, we would all be very happy to think that there is a possibility, that I do not think there has been before, that we might remain in the European Union. Nothing could make me happier than that all my work in the past three years should be as for nothing in respect of withdrawal and that we should remain, but it is also possible that there could be a Withdrawal Agreement and that that Withdrawal Agreement could be in place even during the course of this week. That is why I sought to emphasise to hon. Members when I presented the Bill that the changes to the legislation enabling are not prescriptive. In other words, this creates a regime that may be pursued by the Collector of Customs, and it may be pursued when the time comes or it may be pursued even if the time does not come.

I am quite happy to say to her in the context of answering another one of her questions, if I may just interpose that answer, that in fact controlling the retail price of tobacco is very common in many jurisdictions. It is another lever that law enforcement uses in order to ensure that there is control of the tobacco market. So, we are not exclusive in going into the market and controlling the price of the retailing of tobacco; it happens in many jurisdictions around the world. My own view, my own policy position, is that this is a particularly helpful way of dealing with the tobacco market that we would want to pursue even in a remain world because it gives us additional helpful levers to control that market.

But in any event, if there is a Withdrawal Agreement, it could be visited upon us within hours or days. Frankly, it looks like there may not be a Withdrawal Agreement, if you look at the mathematics in Parliament etc., but hon. Members will know that with Brexit things are no longer moving day by day; they are moving hour by hour. We can go to bed one night being told that things are going in the direction of Members of that group known as the European Research Group and the Democratic Unionist Party being more likely to support the Prime Minister, and we can wake up to changes that suggest that that is not going to happen, and then to a ruling by the Speaker of the House of Commons that suggests that the political dynamics in London are moving in a different direction. So, I think, again, if the hon. Lady will bear with me, this is about

being prepared and about being ready. That is why I emphasise to her that it produces legislative changes that are enabling and not prescriptive.

Mr Speaker, just today I am conscious of the fact that, as we met at 11 o'clock, the Prime Minister was holding a special Cabinet meeting in London at 10 o'clock United Kingdom time. Members of the Cabinet had been brought into Downing Street to look at documents *in camera* before they had the debate on those documents in Cabinet. I might be bitten by that bug, Mr Speaker, and give the hon. Members of my Cabinet just an hour to look at something that I put before them an hour later! I think it is absolutely remarkable – I do not infer you would ever get away with it – to deal with colleagues in that particular way, but that is not the politics of today. The reason I am saying that is because at 12 the Prime Minister has a meeting with the Leader of the Opposition, then at 4.30 there is a further Statement to the House of Commons and at five o'clock the debating and the voting will start in the House of Commons. So, I really am not able to tell the House that there will or will not be a Withdrawal Agreement before the House meets again, and I think on that we are likely agreed but that is what is driving the mechanism that we are putting before the House today to ensure that the Collector has power in the event that there is a requirement to comply with Withdrawal Agreement provisions.

Mr Speaker, I have dealt with her question of why we should or should not interfere with the pricing of this particular commodity by illustrating to her that this happens in many other jurisdictions. The classes of tobacco I took her through in my speech. I am quite happy to share those with her later as well, if she wishes. The classes of tobacco are the mid-high, mid-low, premium and cheaper – although we do not use the word 'cheap' and we try to avoid using that terminology.

The hon. Lady says that retailers are confused by the measures. I would put it to the hon. Lady that this is just a piece of legislation which enables the Collector to do something and we are very clear that, because this is something that affects not just retailers but also retail purchasers, the mechanism that will emerge from this enabling legislation, which I have already seen, is a very clear Gazette that sets out prices very clearly so that purchasers can go to the Gazette – which is now available online – and see the prices. So, it will be very easy and very transparent in that sense.

The hon. Lady says that the wholesalers could take the market. Well, it is not possible for wholesalers to take this market, Mr Speaker, because wholesalers cannot sell retail, in particular in this commodity. So, under our system of regulated sales, in particular in this commodity, in order to be able to sell at retail – in other words, to sell a carton or a packet – you have to have the retail licence and sell through a retail establishment. It is not possible for the wholesalers to do that; they would not be able to do that. But in any event, if a wholesaler made a retail sale it would be subject to the requirements set out in this legislation because otherwise there would be a breach of the legislation. Therefore, it is not possible for wholesalers to take the retail market.

Mr Speaker, it is also, in my view, clear that there will be profit here, and so it will be a question of negotiation between retailers and wholesalers as to who takes what element of the profit. The Government may also be moving in respect of its ability to raise duties against tobacco once the prices are moving also, but that would be a different policy decision to be made.

I do not recognise the hon. Lady's suggestion that cruise passengers are buying tobacco on disembarkation and then coming into town, turning them for a profit. I do not see anybody who buys tobacco on a cruise ship then selling that tobacco in our city. I have not seen any example of that. None of the law enforcement agencies have brought that to my attention. It is true that there is a shop at the cruise-liner terminal that sells tobacco for prices that are lower than in town and it is true that people can buy from that shop, if they have access to the cruise-liner terminal as cruise passengers, both on the way in and on the way out, but I have not heard that anybody is going on a cruise in order to come to Gibraltar and sell the tobacco in town. It would not make any financial sense that that is the case.

I have been in discussions with the Chamber of Commerce about that particular shop – the opening on which arises from the closure by the former administration of the ferry terminal and the litigation which was started against the Government as a result – to see what controls we can put there. The hon. Lady should know that the terms of operation of that shop are the same as the terms of operation of the shops at the duty-free terminals in the Airport, but of course there is not the easier access in and out of the Airport that there is from the cruise-liner terminal, where passengers come in and out of the terminal because they are able to and we want them to come into Gibraltar. So, the Government is already trying to deal with the issues that have arisen which the Chamber of Commerce have put to us in relation to that shop. That is, in my view, completely unaffected by this change, but there may be things that we need to do in respect of how that shop sells and that it can only sell to people on the way into the vessel rather than also on the way out of the vessel into Gibraltar. It is something that is very much on the Government's agenda.

Mr Speaker, there is absolutely nothing in this Bill that gives Spain a say in our affairs, that deals with any of the mischief that the hon. Gentleman says, incorrectly, is created by the MoU. This is a freestanding piece of legislation which creates a power for the Collector of Customs. The Collector of Customs will likely use it in the way that I have set out dealing with the issues that are set out in the MoU, but this Bill does not do that. This Bill does the things I told the House, all of which the Hon. the Leader of the Opposition said he agreed with.

I therefore commend the Bill to the House. *(Banging on desks)*

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Tobacco Act 1997 and for connected purposes be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

How is the hon. Lady voting? She is not? *(Interjection by Hon. Ms M D Hassan Nahon: I haven't decided yet.)* Then you are abstaining, unless you tell me to the contrary. Very well.

There are 9 Government Ministers who have voted in favour, 5 Members of the Official Opposition against, the hon. Lady has abstained. So the Second Reading of the Bill is carried. *(Banging on desks)*

Clerk: The Tobacco (Amendment) Act 2019.

Tobacco (Amendment) Bill 2019 – 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 this Bill be taken today if all hon. Members agree.

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

COMMITTEE STAGE AND THIRD READING

Mr Speaker: I now call on the Chief Minister to move that the House resolve itself into Committee.

725

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should resolve itself into Committee to consider the Sanctions Bill and the Tobacco (Amendment) Bill clause by clause.

In Committee of the whole Parliament

**Sanctions Bill 2019 –
Clauses considered and approved**

Clerk: A Bill for an Act to make provision enabling appropriate sanctions to be imposed including in respect of any persons, entities, groups, organisations, States and territories for the purposes of the security of Gibraltar or international peace and security or in any other circumstances where it would be appropriate to do so and for implementing in Gibraltar any restrictive measures imposed outside Gibraltar; and for connected purposes.

730

Clauses 1 to 5.

735

Mr Speaker: Stand part of the Bill.

Clerk: Clause 6 as amended.

740

Mr Speaker: The Chief Minister has an amendment to clause 6. It has been circulated. Unless hon. Members disagree, I move that it be approved.

So, the Chief Minister's amendment is approved and therefore clause 6 as amended stands part of the Bill.

745

Clerk: Clause 7 as amended.

Mr Speaker: Again, an amendment has been circulated. All Members are in agreement and therefore clause 7 as amended stands part of the Bill.

750

Clerk: Clause 8 as amended.

Mr Speaker: The amendment, again previously circulated on 7th March, so clause 8 as amended stands part of the Bill.

755

Clerk: Clauses 9 to 11.

Mr Speaker: Stand part of the Bill.

Clerk: Clause 12 as amended.

760

Mr Speaker: Clause 12 as amended stands part of the Bill.

Clerk: Clause 13 as amended.

765 **Mr Speaker:** Stands part of the Bill.

Clerk: Clause 14.

770 **Mr Speaker:** Stands part of the Bill.

Clerk: Clause 15 as amended.

Mr Speaker: Stands part of the Bill.

775 **Clerk:** Clause 16 as amended.

Mr Speaker: Stands part of the Bill.

Clerk: Clauses 17 to 54.

780

Mr Speaker: Stand part of the Bill.

Clerk: Schedules 1 to 5.

785 **Mr Speaker:** Stand part of the Bill.

Clerk: The long title.

Mr Speaker: Stands part of the Bill.

**Sanctions Bill 2019 –
Clauses considered and approved**

790 **Clerk:** A Bill for an Act to amend the Tobacco Act 1997.
Clauses 1 to 3.

Mr Speaker: Stand part of the Bill.

795 **Clerk:** Clause 4 as amended.

Mr Speaker: The amendment is just the substitution of 'the Tobacco Act 1997' by 'this Act'.
Stands part of the Bill.

800 **Clerk:** The long title.

Mr Speaker: Stands part of the Bill.

**Sanctions Bill 2019 –
Tobacco (Amendment) Bill 2019 –
Third Reading approved: Bills passed**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Sanctions Bill 2019 and the Tobacco (Amendment) Bill 2019 have been considered in Committee and agreed to with amendments, and I now move that they be read a third time and passed.

Mr Speaker: I now put the question, which is that the Sanctions Bill 2019 and the Tobacco (Amendment) Bill 2019 be read a third time and carried. Those in favour? (**Members:** Aye.) Those against?

You are voting against the Third Reading of the Tobacco Act? Is a Member absent? I do not know if he would want to vote. Two Members absent. The four Members of the Opposition present – that is the Hon. Edwin Reyes, the Hon. the Leader of the Opposition, the Hon. Roy Clinton and the Hon. Lawrence Llamas – are voting against the Third Reading of the Tobacco (Amendment) Bill.

Other than that, I now move that they be read a third time and carried.

Clerk: Bills for First and Second Reading.

Chief Minister: Mr Speaker, I now move that the House should adjourn to Friday, 5th April at three o'clock in the afternoon.

Mr Speaker, I think I share the views of the whole House, indeed probably our whole community, when I say that I hope that by then we shall all have greater clarity as to what position the United Kingdom Parliament is likely to take in respect of withdrawal from the European Union or not at all.

Mr Speaker: The House will then adjourn to Friday, 5th April at three in the afternoon.

The House adjourned at 12.19 pm



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.30 p.m. – 3.50 p.m.

Gibraltar, Friday, 5th April 2019

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The Gibraltar Parliament

The Parliament met at 3.30 p.m.

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

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

Order of the Day

BILLS

FIRST AND SECOND READING

European Parliamentary Elections (Amendment) Bill 2019 – First Reading approved

Clerk: Meeting of Parliament, Friday, 5th April 2019.

(ix) Bills for First and Second Reading.

5 A Bill for an Act to amend the European Parliamentary Elections Act 2004. The Hon. the Deputy Chief Minister.

Mr Speaker: I confirm that I have received indication – certification, in fact – as regards the urgency of this Bill.

Deputy Chief Minister (Hon. Dr J J Garcia): Thank you, Mr Speaker.

10 I have the honour to move that a Bill for an Act to amend the European Parliamentary Elections Act 2004 be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the European Parliamentary Elections Act 2004 be read a first time. Those in favour? (**Members:** Aye.) Those
15 against? Carried.

Clerk: The European Parliamentary Elections (Amendment) Act 2019.

European Parliamentary Elections (Amendment) Bill 2019 – Second Reading approved

Deputy Chief Minister (Hon. Dr J J Garcia): I have the honour to move that the Bill be now
read a second time.

20 Mr Speaker, elections to the European Parliament are due to take place across the EU on Thursday, 23rd May or Sunday, 26th May. The United Kingdom and Gibraltar were due to have left the European Union on 29th March. This was the anniversary date of the United Kingdom's

formal notification of its intention to exit the EU. This departure date also avoided the need to take part in European elections. The House is aware of the uncertainty that we face as regards the actual dates when the UK and Gibraltar will exit the European Union. That departure date was extended to next Friday, 12th April, in the face of a no-deal Brexit. It was extended to 22nd May in the event of the approval of the Withdrawal Agreement by the United Kingdom Parliament. The UK Parliament, as we know, has to date not approved the Withdrawal Agreement. The President of the European Council has today said that he will recommend to EU leaders an extension until 31st March 2020. This proposal would also allow for the possibility that the UK leaves before that date. Hon. Members will have heard that the Prime Minister has now sought a second extension until 30th June 2019, again with the possibility that the UK may leave earlier if the Withdrawal Agreement is approved. She has pledged to commence preparations for holding European elections and to cancel those preparations if the UK were to leave before polling day.

Mr Speaker, against this shifting background the Government has issued instructions that Gibraltar prepares to participate in European elections as well. The Clerk, in his capacity as returning officer, has already had discreet contact with his counterparts in the United Kingdom. The Parliamentary Counsel, Paul Peralta, has had contact with the Cabinet Office. The John Mackintosh Hall is now on standby. The Bill before this House today is part of that process. It is a part of our contingency planning in order to prepare for the possible European elections in Gibraltar. The Chief Minister certified the Bill as urgent so that the House can take it today at short notice. Given the circumstances, hon. Members will, I am sure, understand why this is necessary.

Mr Speaker, I am very grateful to the Hon. Mr Phillips, the Leader of the Opposition, who confirmed to me yesterday on behalf of Members opposite that the Opposition had no issue with the Bill.

Paragraph 9 of Schedule 1 to the European Parliamentary Elections Act 2004 requires us to conduct a canvass based on a date to be appointed by the Chief Minister. The purpose of the canvass is to produce a register for European elections. This canvass is normally conducted in October of the year preceding European elections. Clearly, where we are, it will be impossible to comply with such a requirement and therefore we need to adapt Schedule 1 of the Act for this and any other connected purpose.

Mr Speaker, a canvass is already underway for the purpose of preparing a register of electors for the next General Election in Gibraltar. It makes sense to rely on that canvass and for that canvass to form the basis of a register for European parliamentary elections as well. However, there are differences between the two. The European register will include EU nationals resident in Gibraltar as well as qualifying Commonwealth citizens. This is also true of the UK register. These categories of voters would now need to be included in our new Gibraltar register as well. By coincidence, a significant number of EU and Commonwealth citizens responded to the existing canvass despite not being entitled to registration for the Gibraltar elections. These applications will, however, be deemed to have been properly made for the purposes of European elections. This principle has already been agreed to by the Cabinet Office in London.

Mr Speaker, while the European register will be substantially complete, the Government wants to make it clear that there will be an opportunity for any unregistered entitled person to include the name in it. However, relying on the Gibraltar General Election canvass requires an amendment to paragraph 9 of Schedule 1 to the Act. Other amendments are also necessary to prepare us for participating in European parliamentary elections at very short notice. In fact, draft regulations amending Schedule 1 to the Act are being discussed at a technical level with the UK government at the moment. The intention is that they will be finalised and published on Monday, when this Bill is due to become an Act with the approval of the House. The regulations make the following three amendments to Schedule 1.

The first is to deem the applications received for the purposes of the General Election as satisfying the requirement to conduct a canvass for European elections under paragraph 9(1) of Schedule 1.

The second is deeming 31st March 2019 as a canvass date for the purposes of two cross-references in the Schedule. This date obviously needs to come before the publication of the revised register.

Thirdly, everyone registered in accordance with the new provisions will be deemed to have opted out of the edited register set out in paragraph 45 of Schedule 1. This is because applicants will not have had an opportunity to opt out of this register. The reason is that the form to be registered in the Gibraltar General Elections Register is different to the form used for European parliamentary elections: the former does not give you a choice to opt out.

Mr Speaker, the House will recall that this was also the practice for the referendum of 2016, where again we also relied on the General Election canvass. This Bill therefore allows us to amend that Schedule by regulation in order to be able to react in a quick and timely manner to any amendments that may reasonably be required.

Mr Speaker, this mechanism will allow Gibraltar to participate in elections to the European Parliament for what could be the last time. The very notion of participating in these elections just weeks or maybe months before we leave the European Union is bewildering in itself, but this is where we are. This is not where any of us thought we were going to be. Lack of clarity, uncertainty and confusion have sadly become the norm since the UK voted to leave the European Union in June 2016. Extraordinary outcomes and unpredictable situations have become the order of the day. Therefore, the Bill before this House today is precisely to provide for one of those many twists and turns that the Brexit process has thrown up.

Mr Speaker, I commend the Bill to the House. *(Banging on desks)*

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

The Hon. Daniel Feetham.

Hon. D A Feetham: Mr Speaker, it is symptomatic of the chaos that Brexit has become that two years on from the referendum, at the point – indeed, beyond the point at which we were to leave the European Union we are now bringing a Bill to Parliament in order to prepare for a potential election to the European Parliament.

For our part, as an Opposition, we hope that it is a sign of things to come (**A Member:** Hear, hear.) and that in fact we will not be leaving the European Union after all. I say that in jest, Mr Speaker, but in fact, observing what is going on in the United Kingdom Parliament on almost a daily basis, what appeared to be an impossibility a number of months ago actually does not look like an impossibility today, and some would say a distinct possibility – but we will see what transpires.

Mr Speaker, although it is not the practice of Parliament and certainly it is not the practice of an opposition to allow a government to amend primary legislation by way of regulation, we understand entirely what the purpose of this Bill is and the Government has the support of the Opposition. *(Banging on desks)*

Mr Speaker: Does any other hon. Member wish to speak on the Second Reading of this Bill?
I call on the mover to reply, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government is very pleased to find itself in the difficult situation of having to bring a Bill to ensure that European parliamentary elections can be held in Gibraltar at least once again. (**A Member:** Hear, hear.) I know that perhaps the returning officer and Clerk in his heart may be pleased but in his mind may be concerned about all of the work which will now have to be done in Gibraltar, as it will in the United Kingdom, in

125 this short period of time. Indeed, the Electoral Commission in the United Kingdom has today issued guidance in respect of European parliamentary elections to be held on 23rd May 2019 – again, something we will all be very pleased to see here but others outside of this place, in the United Kingdom and indeed some in Gibraltar, will be displeased to see.

130 Ironically, Mr Speaker, the Electoral Commission's guidance says that as a result of a bank holiday in Gibraltar on 29th April and on 1st May 2019, some electoral deadlines in the South West electoral region are different to the deadlines elsewhere in Great Britain. I think it is worth pointing out that this official guidance of the Electoral Commission in the United Kingdom in respect of European parliamentary elections arises as a result of the election of my Government, for a simple reason: 29th April is Workers' Memorial Day, a day that we declared a bank holiday
135 when we were elected in order to ensure that we remember all those who lost their lives or were injured at work; (**A Member:** Hear, hear.) (*Banging on desks*) and 1st May is a bank holiday in Gibraltar on 1st May every year – and it will be whilst there is a socialist Government in Gibraltar – although it is not in the United Kingdom and it has not been under all other Governments in Gibraltar. So, Gibraltarian socialism and liberalism is having a seminal and
140 important effect even on the dates on which this European election is, we all hope, going to be held in the different deadlines that are going to be complied with. That is almost a by the by, but politically important to me as a socialist.

What is more important than that, Mr Speaker, is that the Electoral Commission of the United Kingdom is issuing guidelines which refer to the elections in Gibraltar. The Deputy Chief
145 Minister of Gibraltar is seeking the support of the Parliament to pass legislation to enable us to form part of those European elections. Of course, seminally important is that those elections continue because we will then vote to the European Parliament representatives of the people of Gibraltar. That is as a result of *Matthews v United Kingdom*, a case brought in the name of Denise Matthews, where the now Attorney General of Gibraltar, with the support, amongst
150 others, of Rafael Bensaquen etc., were able to persuade (*Interjections*) – a point I have made repeatedly in this House, Mr Speaker –

Hon. D A Feetham: We now share a best friend!

155 **Hon. Chief Minister:** – even when only others claimed him as a friend, and if the hon. Gentleman cares to look back at *Hansard* he will see that is the case.

But there is a very important point here, Mr Speaker, and we must not enliven it with levity. It is this: that all of us in this House will want to send a message to Madrid and to the fools in Brussels who felt that they were right to include a footnote that referred to Gibraltar as a colony
160 in a measure –

Mr Speaker: Normally I would regard 'fools' as unparliamentary; on this occasion I am even prepared to endorse it. (**Members:** Hear, hear.) (*Banging on desks and laughter*)

165 **Hon. Chief Minister:** Mr Speaker, I am delighted to support your ruling. (*Laughter*) Indeed, your ruling would usually be if I was referring to a Member of this Parliament in that way, which I am not on this occasion.

The European Parliament in particular, which is a Parliament that is known as a legislature now in international law, thanks to the finding of the European Court of Human Rights in the
170 *Matthews* case – in other words, the European Parliament is recognised as a full-blown legislature as a result of the action of a Gibraltarian – should not, for one moment, have allowed itself to have been persuaded by the national interests of only one member state to have permitted the inclusion of a reference to Gibraltar as a colony when the Gibraltarians have voted for that European Parliament. We may not vote for the next one, but we voted for that
175 European Parliament. If anybody in the Parliament had paused to think, other than those who rightly took the side of the people of Gibraltar – not all of them British – they would have

realised that, by any definition of colonialism, colonials do not vote for the Parliament that defines them as colonials. You cannot be a colonial in respect of a parliament which you elect by way of universal franchise and where your vote counts as much as everybody else's; you can only be a colonial if there is a parliament that determines things for you and you do not vote for it. And so, in particular in the context of European parliamentary elections to the European Parliament – elected *inter alia* by the people of Gibraltar – by direct universal suffrage of all the peoples of the European Union, it is absolutely ridiculous for anybody to have thought that it made any meaningful sense for that Parliament to agree to the inclusion of the reference to Gibraltar as a colony. A different thing might have been relevant before *Matthews* when the Territory of Gibraltar suspended the right to vote because of the wrong decisions made in the United Kingdom as to the extent of the franchise, which was the right reason for having challenged that decision as to what the franchise should be.

And so, Mr Speaker, I am, as a result of the events of this week, doubly pleased that we are going to continue the legislation at least to be able to vote in European parliamentary elections to that Parliament. I sincerely hope, despite the work that it will entail for hon. Members or officials of this House, that we do get the opportunity to vote for that European Parliament because in that way also that measure which includes the reference that the European Parliament has allowed, would be not just irrelevant because of its erroneous reference to Gibraltar as a colony and therefore to the people of Gibraltar as colonials, but because it would never have come into effect, because it is only a measure that comes into effect as a no-deal measure.

And so all the crowing that we hear beyond this place should be put in its proper place, especially if there is a deal, or indeed hopefully even no Brexit – although I do know, Mr Speaker, that that would disappoint some Members of the hon. Members' opposite executive who have been calling in public for a hard Brexit. (**A Member:** Shame!)

Mr Speaker, I therefore sincerely hope that all of the hard work that we have done in the past couple of years on Brexit will be wasted time and that we can forget about leaving the European Union and we can continue about voting for the European Parliament in European parliamentary elections, and in that way continue to enjoy the benefits of the findings of *Matthews*.

But the hon. Gentleman opposite, in giving his support to this Bill, has said something which is important and with which I agree, which is that we are seeing a great measure of political chaos in the United Kingdom; and in endorsing some of the work that he has done in the past months, in which he and I have had occasion to agree publicly and privately, I would say that I do certainly hope that these European elections are held, that the effort is worth it and that that should be only the first people's vote and the first opportunity for people to vote in a way that demonstrates the view, I think now of the majority of the British people, that the European project is a good one, not a bad one. These European elections, if they are held, can be a referendum on Europe. They can be an opportunity for those of us who believe in the importance of Britain's continued participation in the European project to put that in the context of the votes that are cast, and I sincerely believe that this is a great chance that we are being presented with.

Mr Speaker, hon. Members have heard the Deputy Chief Minister relate to us the letter that the Prime Minister has sent to the President of the European Council, Donald Tusk. I will tell Members of the House today that Donald Tusk said something which I thought was very apposite last week when he said that the European Union did not forget and would not turn its back on the six million people who have signed the petition to revoke the Article 50 notification or indeed the million-plus – at one stage the authorities in the United Kingdom thought it might have been up to two million – who demonstrated in favour of a second referendum. I know that included the hon. and learned Member opposite and included members of the executive committee of my party and other Gibraltarians also who were counted in that number.

As a result, Mr Speaker, I have written to the President of the European Council and told him that the people of Gibraltar take heart from those words but that it does not help that in the

context of the negotiations the President of the European Council and others have at different times said that on the issue of Gibraltar post Brexit they take the side of Spain, because we continue to be the region that most supported remaining in the European Union and I think it is important that I should make that point.

I have one or two more points to make, but the hon. Gentleman is asking me to give way and I will.

Hon. D A Feetham: Mr Speaker, we have strayed into the territory of the people's vote and I just wanted to ask the Chief Minister to perhaps elaborate or comment on this. We have seen in recent months that ... In fact, the question of the people's vote has gathered momentum over the last six, seven, eight months and we have seen in the last few weeks Nicola Sturgeon, the First Minister in Scotland, point out quite rightly that the Scottish people voted to remain and that in fact there is a distinction between a vote which went against remain at the referendum, which was a vote to leave the European Union in principle ... People were asked, 'Do you want to leave the European Union?': 'Yes, we want to leave the European Union.' But there is a distinction between that and the actual terms on which you leave the European Union, because of course if you ask some of the people who voted to leave, 'Are you willing to leave under any conditions and any terms?' those people will say, 'Well, I'm prepared to leave but not under a bad deal and not under any terms.' Therefore, there is a fundamental distinction between the decision to leave and the terms upon which you leave, and those terms ought to be put to the people in a confirmatory referendum; and absent the revocation of Article 50 – which of course everybody would prefer, but it does not seem that it is likely – the position of the Gibraltar Government is going to be to urge Theresa May, and whoever if somebody takes over from Theresa May but in any event a British government, to put any terms that ultimately might be agreed to the people in a confirmatory referendum, which in our view, certainly in the view of the Opposition, is reflective of the will of the people in Gibraltar.

Hon. Chief Minister: Thank you, Mr Speaker.

Well, I do not know about the view of the Opposition; it must be the view of the elected Opposition, because I am just reading something from one of their executive members, who is indeed an office holder of their executive, who is saying that he hopes that there is no extension granted and that it is only long enough to remove Theresa May from the leadership of the Conservative Party. (*Interjection by Hon. D A Feetham*)

But assuming that he is talking only about the elected Opposition, or at least that part of the elected Opposition with which he sits – I do not want to impute any of that to the hon. Lady – then certainly I would commend to him a reading of my article in today's *The New European* and indeed I would commend to him the statements I made in this House and outside of this House in July 2016, which he sharply chastised me for and I therefore immediately knew I was onto something good, where I made the distinction, as he will recall, that I did not believe that there should be a second referendum which was simply a re-running of the referendum question, but that I thought it was perfectly democratically legitimate and indeed proper, if not necessary, that whatever option was finally negotiated should be put to the British people in the referendum and that that had democratic legitimacy. Indeed, that is the position that we have taken consistently in our discussions with the United Kingdom and it is also something which the hon. Gentleman will have seen me say a lot recently when I have said, 'Revoke, Referendum, Remain,' with revoke being necessary if a long extension is not agreed in order to allow for that referendum.

So, Mr Speaker, in a context where I think we now all agree – because again he also chastised me for this some years ago –

Hon. D A Feetham: *No perdona!*

Hon. Chief Minister: *No me olvido! (Laughter and interjection)*

Mr Speaker, when I said that the referendum result had been obtained on the basis of a false prospectus and I was told off for in that way annoying those whom we most had to rely on – that was the chastisement at the time – I also made the point that I have now made: that if that false prospectus had related to the securities or financial services, the people who had sold it would be in jail. I do note that the Electoral Commission has now opened an investigation in that respect, which it has concluded they do not have sufficient power to deal with and they have referred the matter to the Metropolitan Police. That is something which emerged yesterday, so there may yet be matters relating to how the engineering of the result came about, for which people have to account in keeping with the UK electoral law.

So, Mr Speaker, having obtained the result as a result of telling the electorate a tissue of lies, I think it is very difficult now to see, if there were what the hon. Gentleman is now calling a confirmatory referendum – it has been called many things but I call it whatever the hon. Gentleman would like, except a second referendum; I think a ‘new’ referendum is a better way of expressing that – then the result would be very different.

One of the things that everyone was told was that whatever Article 50 said, in other words whatever the Treaty says, we will negotiate our exit from the European Union and our future deal at the same time, and when the first Brexit Secretary, David Davis, was to start the negotiations, in June 2017, he said, ‘Well, if Michel Barnier is saying that he won’t engage with me in a discussion on the future relationship, we shall have the row over the summer but we will win it by the end of the summer.’ July had not started by the time David Davis had folded on that, and that is to a very great extent why the United Kingdom is where it is today – with a political declaration in relation to the future which is non-binding and a Withdrawal Agreement which is binding – and this should inform some of the criticism that hon. Members sometimes make of the issue for the Government.

But anyway, coming back to the point I was making before I sat down to give way to the hon. Gentleman, of course it is unusual to come to this Parliament to ask for a vast power to amend primary legislation by subsidiary legislation. These are circumstances which make that essential and I think the hon. Gentleman has understood that because of what is happening at Westminster.

I am going to adjourn the House later today, Mr Speaker, until next Thursday in case we do have to do anything else before a cliff edge – because that accidental potential no-deal Brexit is still there. There is, as yet, no agreement. There will be a European Council meeting on the Wednesday, the 10th, and that is going to mean that all eyes again are going to have to be on Westminster during the course of the next week. One does wonder whether Westminster is now getting more viewers than *Dallas* used to get in the old days, because it is almost more exciting – unfortunately, I hasten to say – and the plot does thicken as we get to the end of every episode.
(**A Member:** Hear, hear.)

Mr Speaker, with that, I think it is fair for me to say that I have found the work done by the Hon. Deputy Chief Minister, in relation to this and all the other matters on which we have worked together in respect of our withdrawal from the European Union, universally depressing and sad for both of us, as we are very much pro the continuation of the European project, despite the many warts that the European Union has and despite the many slaps in the face that the European Union has given to the people of Gibraltar gratuitously and which I sincerely believe they will regret in the future when they reflect on the way in which they conducted the negotiations with the United Kingdom. But I, of course, fully endorse the Bill that he brings to this House and I commend it to the House. (*Banging on desks*)

Mr Speaker: The Hon. Roy Clinton.

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

330 First of all, I would like to echo the sentiments of my colleague the Hon. Daniel Feetham in that obviously the Official Opposition will certainly be supporting this Bill for the reasons he has outlined, but I would just like to make two points.

335 First of all, I would like to ask the Deputy Chief Minister: given he has so much granular detail as to the contents of these regulations, why he did not see fit to put it into the Bill itself? Why the need for wide regulatory powers? Why didn't he just put in the amendments as he read out, and then we would not have this situation where we are giving the Government wide powers, albeit we all understand why? Does the Deputy Chief Minister envisage something beyond what he has already read out? And to what extent will he exercise that discretion or flexibility? How far does he think he may have to go? Or is he just going to be limited to what he read out by regulation?

340 And secondly, Mr Speaker, in respect to the Chief Minister's contribution, in my view it is regrettable that he has chosen to choose this Bill to do a bit of petty electioneering. *(Interjection)* I would remind him that *everybody* in this House, on a cross-party basis, backed the Remain campaign – everybody – and so for him to be making petty remarks on this Bill at a point in time when not just this Parliament but the Parliament in the UK is having a very hard time as to the question of Brexit and how we are going to manage the situation ... I find that his opportunism in bringing up what can only be ill-timed electioneering is regrettable. We on this side of the House in good faith are supporting this Bill, and this is how we are repaid.

Thank you, Mr Speaker.

350

Mr Speaker: The Hon. Dr Joseph Garcia. *(Interjections)*

Minister for Health, Care and Justice (Hon. N F Costa): We have not mentioned the name. *(Interjections)* Danny knows for sure!

355

Hon. Deputy Chief Minister: Mr Speaker, to answer the hon. Member's questions: first, why is the text of the regulations not in the Bill? I think I explained that that is in draft and it is in discussion between the Parliamentary Counsel and the Cabinet Office of the United Kingdom. In fact, I am told that the UK is holding up the publication of their notice of election until we have passed the Bill and it has gone through the different stages in this House. I think that is going to happen on Tuesday, if I am not mistaken, and we intend to have it all go through the stages by Monday. So, that is the reason.

360 Obviously the regulation-making powers are connected to the Bill and to the European parliamentary elections. It is not that we are talking about anything more major or more dramatic than that. And I explained in brief what the three areas were. One is recognising the canvass for the Gibraltar General Election as being the canvass for the register for the European elections. The other one was this question of people opting out of an edited register – in other words, recognising basically that in this set up and in this timescale that cannot happen and secondly the date of 31st March 2019 as a date we have to include because of the references that are made in the Schedule to dates, and that date has to be before today and before the register is published. So, the short answer is that it is still in draft and in discussion with the UK. It will happen over the weekend but we expect to have everything ready by Monday and this will give us the flexibility to pass a law and deal with it quickly.

375 Mr Speaker, can I just add that the reference my hon. Friend the Chief Minister was making was to the same individual who recently published online calling for a motion of no confidence in yourself, the Speaker, something which we consider is really inappropriate – totally inappropriate.

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

380 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the European Parliamentary Elections Act 2004 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The European Parliamentary Elections (Amendment) Act 2019.

**European Parliamentary Elections (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

385 **Deputy Chief Minister (Hon. Dr J J Garcia):** 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.)

**Swiss Carriage of Passengers and Goods by Road Bill 2019 –
First Reading approved**

390 **Clerk:** A Bill for an Act to implement in Gibraltar the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Swiss Federal Council.
The Hon. the Minister for Infrastructure and Planning.

395 **Minister for Infrastructure and Planning (Hon. P J Balban):** Mr Speaker, I have the honour to move that a Bill for an Act to implement in Gibraltar the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Swiss Federal Council be read a first time.

400 **Mr Speaker:** I now put the question, which is that a Bill for an Act to implement in Gibraltar the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Swiss Federal Council on the International Carriage of Passengers and Goods by Road, and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Swiss Carriage of Passengers and Goods by Road Act 2019.

**Swiss Carriage of Passengers and Goods by Road Bill 2019 –
Second Reading approved**

405 **Minister for Infrastructure and Planning (Hon. P J Balban):** Mr Speaker, I have the honour to move that the Bill be now read a second time.

This Bill implements in Gibraltar the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Swiss Federal Council on the International Carriage of Passengers and Goods by Road.

410 The agreement replicates the current regime in place for carriers under the Agreement between the European Community and the Swiss Confederation on the Carriage of Goods and

Passengers by Rail and Road signed in Luxembourg on 21st June 1999, which would cease to apply on exit day.

415 The Bill, through implementation of the agreement, ensures continuity in the road transport relationship between Gibraltar and Switzerland in the event that Gibraltar leaves the European Union. Replicating the current effects of the EU-Swiss agreement ensures the continued liberalised access for road transport carriers of goods and passengers with valid licences to operate in each other's markets.

420 Mr Speaker, the Bill does not provide for cabotage rights but does provide for liberalised, permit-free international road haulage rights bilaterally, with transit and cross-trade provided for Swiss and Gibraltar hauliers. It includes provisions on passenger and goods transport, taxation and customs formalities, application of national laws and regulations, infringement and special permits for oversized vehicles. The fines are set at level 3 – that is £1,000 – on the standard scale, thus equating to the fines under the Transport Act 1998 for equivalent offences.

425 Mr Speaker, I will now move on to the particular clauses of the Bill.

Clause 5 of the Bill allows for exemption from authorisations for Swiss carriers for the occasional transport of passengers in Gibraltar for certain journeys, provided the carriers ensure a waybill and a list of passengers are available upon inspection. Where this information is not available for the journey or the journey is not exempted, the carriers are not exempt from requiring an authorisation for the journey, and unless said carriers have an authorisation they commit an offence and are liable to a fine at level 3.

435 Clause 6 operates in the same manner but for the transport of goods. In addition, the competent authority in Gibraltar may grant a special permit where the weight of indivisible goods exceeds the weight or dimension limits under the Transport Act 1998. Such a permit may have a condition attached to it indicating a certain route be followed. Carriers who do not adhere to the special permit or do not adhere to the route indicated commit an offence and are liable to a fine at level 3.

Clause 7 prohibits cabotage.

Clause 8 creates an offence of exceeding the guaranteed manufacturer's weight.

440 Clause 9 creates a dispensation in relation to import duty which would otherwise be due on importation of the vehicle and the fuel carried and used by the vehicle itself. It also provides, in the event of a breakdown of the vehicle, for spares to be brought into Gibraltar free of import duty to repair the vehicle. Import duty would be payable on any spares used to repair the vehicle.

445 Clause 10 sets out that the Bill would prevail over any other legislation relating to transport of goods by persons by Swiss carriers.

Clauses 11 and 12 set out the arrangements for monitoring of the agreement by the competent authority – that is the Driver, Vehicle and Licensing Department in Gibraltar.

450 Clause 13 allows for the Bill to be amended or repealed in accordance with agreements or for the proper functioning of the agreement.

Mr Speaker, lastly, at Committee Stage I shall be moving an amendment to the definition of 'competent authority' at clause 3 of the Bill to substitute the reference to section 11 with section 12 to correct a typographical error.

I commend this Bill to the House. *(Banging on desks)*

455

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? No.

460 I therefore put the question, which is that a Bill for an Act to implement in Gibraltar the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Swiss Federal Council on the International Carriage of Passengers and Goods by Road, and for connected purposes be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

Clerk: The Swiss Carriage of Passengers and Goods by Road Act 2019.

**Swiss Carriage of Passengers and Goods by Road Act 2019 –
Committee Stage and Third Reading to be taken at this sitting**

465 **Minister for Infrastructure and Planning (Hon. P J Balban):** Mr Speaker, I beg to give notice
that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members
agree.

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

COMMITTEE STAGE AND THIRD READING

Clerk: Committee Stage and Third Reading. The Hon. the Chief Minister.

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, namely the
475 European Parliamentary Elections (Amendment) Bill 2019 and the Swiss Carriage of Passengers
and Goods by Road Bill 2019.

In Committee of the whole Parliament

**European Parliamentary Elections (Amendment) Bill 2019 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the European Parliamentary Elections Act 2004.
Clauses 1 to 3.

480 **Mr Chairman:** Stand part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Swiss Carriage of Passengers and Goods by Road Bill 2019 –
Clauses considered and approved**

485 **Clerk:** A Bill for an Act to implement in Gibraltar the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Swiss Federal Council on the International Carriage of Passengers and Goods by Road, and for connected purposes.
Clauses 1 and 2.

490 **Mr Chairman:** Stand part of the Bill.

Clerk: Clause 3 as amended.

Mr Speaker: The Hon. Minister has given an indication that there is a typographical error:
495 section 11 should be substituted by section 12 in the definition of 'competent authority'.
So, clause 3 as amended stands part of the Bill.

Clerk: Clauses 4 to 13.

500 **Mr Speaker:** Stand part of the Bill.

Clerk: The long title.

Mr Speaker: Stands part of the Bill.

**European Parliamentary Elections (Amendment) Bill 2019 –
Swiss Carriage of Passengers and Goods by Road Bill 2019 –
Third Reading approved: Bills passed**

505 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the European Parliamentary Elections (Amendment) Bill 2019 and the Swiss Carriage of Passengers and Goods by Road Bill 2019 have been considered in committee and agreed to with one amendment, and I now move that they be read a third time and passed.

510 **Mr Speaker:** I now put the question, which is that the European Parliamentary Elections (Amendment) Bill 2019 and the Swiss Carriage of Passengers and Goods by Road Bill 2019 be read a third time and carried. Those in favour? (**Members:** Aye.) Those against? Carried.

ADJOURNMENT

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the House should now adjourn –

515

Hon. D A Feetham: We will adjourn?

Hon. Chief Minister: I will give way, if that is what the hon. Gentleman is asking me to do.

520 **Hon. D A Feetham:** Mr Speaker, I have just received news that my brother, Nigel Feetham, has been appointed as one of Her Majesty's Counsel for Gibraltar and I would like to, from here,

offer him my sincerest congratulations and to say that our grandfather, Walter, would be truly proud, as indeed will be the rest of the family.

525 I also extend my congratulations, I am sure from everybody, to Christian Rocca, the new Director of Public Prosecutions, who has also been appointed.

Hon. Chief Minister: Well, Mr Speaker, blood runs thicker than water and I have no doubt that the House will join in those congratulations.

530 Mr Speaker, I now move that the House should adjourn to next Thursday, 11th April at three in the afternoon.

Mr Speaker: The House will now adjourn to next Thursday, 11th April at three in the afternoon.

The House adjourned at 3.50 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.07 p.m. – 4.20 p.m.

Gibraltar, Thursday, 11th April 2019

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The Gibraltar Parliament

The Parliament met at 3.07 p.m.

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

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

Precincts of Parliament – Statement by Mr Speaker

Clerk: Meeting of Parliament, Thursday, 11th April 2019.
Suspension of Standing Orders. The Hon. the Chief Minister.

5 **Mr Speaker:** Before the Chief Minister moves the suspension of Standing Orders, I think it is incumbent upon me to make a Statement. It is not a prepared Statement, as I would have preferred, very much off the cuff but given the events this afternoon I think there are certain matters that I need to clear up.

10 On 3rd December 1993, the then Speaker, Maj. Robert Peliza, made a ruling in which he designated what the Precincts of Parliament were. What it amounted to was that the pavement in Main Street on the west side was designated by him as being part of the Precincts of Parliament. He had taken legal advice, obviously, on the matter beforehand and he was acting very much in accordance with the practice both in the House of Commons and in the House of Lords. He said clearly that anyone wishing to demonstrate in the area could do so on the pavement on the east side of Main Street but not on the west side. It was section 2 of the House of Assembly Ordinance that empowered him to designate the Precincts. The Parliament Act also allows the Speaker from time to time to designate what the Precincts of Parliament shall be. I certainly have no intention of departing from the ruling of Maj. Robert Peliza. Indeed, I endorse that ruling 100%, but there seem to be doubts in the minds of certain people whom I will not state publicly who they are at this stage.

15 When I arrived, just before 2.30 this afternoon, I found the entrance to the gate downstairs blocked by two rows of two young men with placards, and then another two behind. I had to stop and ask them to step out of the way and let me through. I would have thought that having arrived in an official car and with there being a number of police officers downstairs, and being on television so often, they would have known who the Speaker of Parliament is and that my way would not have been blocked in any way whatsoever. The gates downstairs, at least the gates should have been entirely clear. Whether there were people, against the ruling of Maj. Peliza, on the west side or not, at least the gates should have been clear. I went downstairs and I cannot say that I received from the police officer, from the inspector, the response that I would have expected.

20 There seem to be people who wish to query the ruling of Major Robert Peliza. If so, it is for Members of Parliament to make that abundantly clear, if necessary by amending legislation that would make that abundantly clear.

25 This is a situation and I think it is most unfortunate. The information that we had previously was that if there was going to be any demonstration it was going to be in John Mackintosh Square. I certainly from the news it seemed to me that it was going to be on the other side, but in any case people are entirely free to demonstrate on the east side, on the pavement there

opposite Parliament, but not to obstruct in any way the entrance to Parliament, as I myself have been this afternoon. Perhaps if I had not gone downstairs afterwards and remonstrated, maybe
40 the access to some hon. Members may have been obstructed as well to the extent that it was in my case.

Chief Minister (Hon. F R Picardo): Mr Speaker, can I, no doubt on behalf of all Members of the House, associate with your Statement in respect of the ruling of Speaker Peliza and how it
45 must be respected and honoured both by those who wish to exercise their perfectly legal right to demonstrate and those who are charged with enforcing our laws and rules.

To see a demonstration must never be something which causes us alarm or concern. It is the expression of people's rights to demonstrate. They do so under the protection of our law and indeed they must do so within our laws, and in the context of the areas around Parliament our
50 law is made by the rulings of Mr Speaker.

Mr Speaker, I very much welcome that you have reminded all those who may be listening and wishing to exercise their right to demonstrate of the requirement to comply with these rules, which are indeed intended simply to allow them to exercise their right to demonstrate and not
55 impede access to this place in any way whilst at the same time ensuring that they are able to exercise that right near enough to this place, which is the heart of our democracy.

Standing Order 7(1) suspended to proceed with Government Statements

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 Government Statements.
60

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

EU withdrawal developments – Statement by the Chief Minister

Chief Minister (Hon. F R Picardo): Mr Speaker, the United Kingdom has agreed a further extension for its and our departure from the European Union.

As hon. Members will be aware, the second Special Meeting of the European Council on
65 Article 50 of the Treaty, held last night in Brussels, resulted in an offer being made to the United Kingdom for such an extension. The President of the European Council, Mr Tusk, offered the Prime Minister, Mrs May, an extension of the Article 50 notification period until 31st October 2019. Mrs May has accepted that proposal for an extension.

The extension contains no condition that Gibraltar should consider objectionable. The
70 extension has set a maximum period, subject to future negotiations for a further extension. It has not, however, set out a minimum period. The United Kingdom can leave the European Union if a Withdrawal Agreement has been finalised before then. Alternatively, the UK can crash out of the EU as a matter of EU law if no Withdrawal Agreement is finalised and the UK fails to hold European elections. The holding of those elections is a condition of the long extension, but it is
75 not one we would find objectionable.

In this latter respect, the United Kingdom has already legislated to hold the EU elections, as we have in Gibraltar. The whole House will want to reflect our nation's thanks to the Clerk, in his capacity as the returning officer for Gibraltar in EU elections, for having moved quickly to ensure

that we are able to hold the 2019 European parliamentary elections in Gibraltar on Thursday, 23rd May this year. I have promised him I shall not be calling a meeting of the House for that day, Mr Speaker! Not since our first opportunity to vote in these European elections will our vote have meant so much and been so important in such elections.

The politics and drama of Brexit are playing out on the screens of international news channels and all Members will be aware of what is unfolding. The Prime Minister has made a statement this afternoon to the House of Commons upon her return from Brussels.

All hon. Members will know that on Monday the House of Commons had legislated a non-government Bill into law by the European Union (Withdrawal) (No. 5) Bill 2019. The Cooper-Letwin legislation, as the law is known, in effect rules out a departure of the UK from the EU without a deal as a matter of UK law. The underlying reality, though, is that UK law and EU law need to align in order for a no-deal Brexit to be avoided even by accident. Those mechanisms are now being put in place. I will shortly, therefore, be signing a further amendment to our own European Union Withdrawal Act 2019 to amend the date provided for in our own law for exit day. Hon. Members will recall I did that already on 28th March to change the date of 29th March and replace it with references to tomorrow or 22nd May.

Essentially, Mr Speaker, the pressure for the Prime Minister to revoke the Article 50 notification in the absence of an agreed or agreeable long extension is now off. There is now no need for a revocation of the Article 50 notice to avoid a no-deal departure from the EU tomorrow.

I discussed the circumstances in which such a revocation might be necessary or indeed appropriate and preferable with the Prime Minister herself on Friday of last week. These related principally to a cliff edge or an extension which contained objectionable conditions. There was no such objectionable condition in the long extension offer last night from the EU Council which might have led Gibraltar to push for a revocation instead of acceptance of the long extension, other than of course the possibility that we might end the nightmare of Brexit immediately and completely and would allow the UK to take back control of the Brexit timetable. The pressure in that respect is now off, but there is now time and, as President Tusk said, we should not waste that time.

If the House of Commons is not able to agree to give effect to the Withdrawal Agreement, and given it has also wisely now legislated not to allow the UK to leave the EU without a Withdrawal Agreement, the fact is that the stalemate reached in the UK Parliament is unlikely to shift or change. In those circumstances we must be alive to the fact that there are ongoing talks between the Conservative government and the Labour opposition. These talks could lead to a breakthrough on agreement for the UK to pass the or a Withdrawal Agreement. This could include a requirement for a so-called confirmatory referendum.

Mr Speaker, given where we are now, the Government will continue to take the position it has consistently taken. We will continue to insist that the safest option for Gibraltar is to remain in the European Union. We will continue to support the Withdrawal Agreement as a way for the UK to leave the EU with a deal. We will continue to support a referendum being held, now referred to not as a second referendum but as a confirmatory referendum. The long extension now agreed gives us time for that.

To this end, I accepted an offer to address a 'put it to the people' rally in Westminster in London on Tuesday. I was happy to speak alongside serving UK Minister the Hon. Hugh Merriman MP. Also speaking at the rally were the Leader of the Liberal Democrats, Sir Vince Cable MP, who kindly introduced me to the audience; Ms Caroline Lucas MP, the Leader of the Green Party; Mr Ian Blackford, the Leader of the Scottish National Party at Westminster; Ms Anna Soubry, one of the members of Change UK or the Independent Group, or Tiggers; Mr David Lammy of the Labour Party; Ms Anna Turley of the Labour Party; Ms Liz Saville of Plaid Cymru; Mr Sam Gyimah, the Conservative former Minister for Universities; the Rt Hon. Dominic Grieve, the Conservative former Attorney General; and indeed Dame Betty Boothroyd, former Speaker of the House of Commons and dear friend of Gibraltar, of whose visit to Gibraltar we

have a plaque in our lobby that I was pleased to remind her of at the People's Rally event. All political parties were therefore represented and Gibraltar was represented.

Mr Speaker we continue our intergovernmental work and planning with the UK government to leave the EU with the or a deal, in case that happens. We continue our intergovernmental work and planning with the UK government in case we leave without a deal, in case that happens. And, Mr Speaker, we continue to represent the mandate of the people of Gibraltar in the 2016 referendum to remain in the EU, warts and all, at every opportunity we have to promote that as a realistic alternative option.

Although the pressure is off in public, we had worked very hard indeed to be ready for the morning of 30th March to ensure we could handle a departure from the EU with or without a deal. We had done the same again for a potential no-deal departure tomorrow night and we continue to work in the background in that respect to ensure the work we have done is useful if we need to rely on it at a later date. We plan for everything, we ignore nothing and we prepare for everything, and hope that we shall be able to look back and consider all of that wasted time if we ultimately remain in the EU, although even if we were to remain in the EU, we would now do so in much better shape in some respects.

I should also add that the measures taken by the 27 for a no-deal Brexit, in particular on visa-free travel, that some have trumpeted triumphantly, are going to be of no effect, at least not this week.

So, we continue our work, Mr Speaker, and we will also, as a people, know who to vote for in the EU elections, if they are held, once we know who stands for a confirmatory referendum or other mechanism that enables us to show our preference continues to be to remain in the EU.

For the House, Mr Speaker, we expect we will now be able to resume normal service. I therefore expect to adjourn this afternoon to return to the House on Friday, 3rd May at 3 p.m. to continue with Questions, motions, etc. I shall very much look forward to that and I am sure all hon. Members will too.

If I may say so, Mr Speaker, these past couple of weeks, as the political leaders of our nation at this time in the history of our affairs, Ministers in my Government have looked over the cliff edge that a no-deal Brexit represents. We would easily survive such a Brexit, but it would be unpleasant. It would undoubtedly bring difficulties to some aspects of people's lives, despite our greatest efforts, and it is ultimately unnecessary. For those reasons, I am very happy that this is an outcome that is, at least for now, avoided and which we should seek to continue to avoid going forward.

I therefore commend this Statement to the House and trust that, as matters develop, the outcomes that have hitherto appeared inevitable may seem less and less certain or inescapable as they now also appear less and less impending. (*Banging on desks*)

Mr Speaker: The Hon. Danny Feetham.

Hon. D A Feetham: Mr Speaker, questions, I understand, arising out of a public Statement, but before I do that, on behalf of my colleagues we welcome the Hon. the Chief Minister's Statement.

We also welcome, it has to be said, the fact that the Hon. the Chief Minister has undertaken not to keep us in this place for too long because of course we have an excellent meeting of the GSD at an AGM at seven o'clock today, to which all members of the public are welcome to attend – (*Interjection*) including, of course, Members of the Government should they wish to cross the floor!

The Hon. the Chief Minister touched upon the fact that the extension is to 12th October. My understanding of the position is that if the Withdrawal Agreement, or a version of the Withdrawal Agreement or a different withdrawal agreement is not agreed, then of course we would crash out of the European Union without a deal on 12th October. We have the incongruous situation of Parliament in the United Kingdom having voted against going out of the

European Union without a deal. Does he not agree with me that, therefore, the only alternative, if the will of Parliament is going to be observed, is to revoke Article 50 in a situation where there is no agreement in relation to a withdrawal or a version of the withdrawal? The government in the United Kingdom could do so, but it would lack democratic legitimacy to also go to the people of the United Kingdom in a people's vote, a second referendum on the Withdrawal Agreement, bearing in mind that it has also been rejected three times by the Parliament of the United Kingdom, and therefore, in those circumstances, a revocation of Article 50 would appear to be the only appropriate alternative.

The Hon. the Chief Minister also then referred to the discussions that are now taking place between the Conservative ... well, between the Prime Minister and the Leader of the Opposition, and he said the or a withdrawal agreement might emerge out of that. Has he got any commitments, or has he discussed with the Prime Minister or anyone else and has he received any assurances that if there is a variation, or if it is a different withdrawal agreement, that would also extend to Gibraltar and everything else that has been negotiated on behalf of Gibraltar etc. would also apply to a different version of the Withdrawal Agreement?

Hon. Chief Minister: Mr Speaker, do you wish me to reply to that or to hear other hon. Members?

Mr Speaker, thank you to the hon. Gentleman for welcoming my Statement. We are indeed in a new stage of our political relationship. It is not often that he has got up in this House to welcome anything I have said, so I am very grateful indeed that at least on this issue – not just today but in recent memory – he has wanted to associate himself with much of what the Government has said and indeed done in respect of this matter.

I do not recall having given any undertakings as to the time that this House will sit today. Indeed, I have not given any such undertakings – although I am aware that there is a public meeting this evening elsewhere in respect of hon. Members' party. But hon. Members opposite should not fret: I am not going to do anything to stop people from going to their meeting. It is, after all, a meeting to which they have invited 32,000 people – they have said it is a public meeting – and so I am sure that they will be very disappointed if they do not get many thousands of people attending, given that it is not a meeting for Members; it is a public meeting. Indeed, I know that my hon. Friend the Minister for Culture is promoting stand-up comedy in Gibraltar. Jimmy Carr is here soon and he was sold out, so I would expect they will do no less than at the very least sell as many tickets as Jimmy Carr: there are at least six of them and there is only one of him. As it is a public meeting, Mr Speaker, I know a lot of our people will be going to listen to what they have to say about us, with no impediment as they do not have to show a membership card – something which they would find anathema, but given that it is public they will go just to listen. Indeed, I invite many people to go and listen to them to be able to see why they are not a wise choice for Gibraltar for the future. So, if they are not full to the rafters, they cannot say it is because I kept them here or I did not indeed join him in trying to promote the event this afternoon alongside expensive advertisements in some local newspapers.

Mr Speaker, it is a matter of agreement between us that the revocation of Article 50, although no longer pressing as the only alternative to avoid a cliff-edge Brexit on 12th April, is still very much the advisable course of action for the UK Prime Minister, but it is no longer the only course of action available. Just to develop the thinking the hon. Gentleman was, I think, trying to pursue, given that there is now an Act of Parliament that requires the United Kingdom not to leave the EU without a deal, and given that the Withdrawal Agreement has not been approved yet – to take the lexicon of what I was saying earlier – in the event that there were no agreement with the EU, it is not legally possible under English law for the Prime Minister now to envisage a no-deal Brexit. So, the Cabinet Manual comes into play and the Cabinet Manual requires Ministers to act only in keeping with the law. It is therefore not possible – I think this is the point that the hon. Gentleman was getting to – for the Prime Minister to receive advice that

she can allow the United Kingdom to fall over a cliff edge when there is a mechanism which is in her hands to enable her to prevent that, in other words to prevent a breach of UK law.

Forget the politics of Article 50 now. Forget the politics of leaving without a deal. Hon. Members will have seen ERG members. Some say that a no-deal Brexit or a WTO Brexit is what they prefer. English law now does not allow that. So, the Cooper-Letwin Bill needs to be revoked for that to be an option that is on the table or the Prime Minister would be in breach of the Cabinet Manual and therefore in breach of UK law, because nobody could give her advice to allow that no-deal Brexit. It is now illegal in UK law.

Indeed, Mr Speaker, when the Prime Minister got up today to make her Statement, the first thing that she referred to was the arrest of Julian Assange of WikiLeaks this afternoon. In making that introduction to her Statement and referring to a topical matter before she started on EU matters, she said it was a demonstration that no one in the United Kingdom is above the law. He and I know, as lawyers, and others will know just from our own general knowledge as British citizens, that the only person above the law is the monarch – that is why criminal proceedings are brought in the name of the monarch against any third party – but the Prime Minister and any Minister is not able to allow something to happen which is contrary to the law.

So, Mr Speaker, I think we are entirely of the same view there, but when that becomes necessary ... In other words, the Article 50 revocation being desirable is something he and I will agree we are happy to see today. That is why I said it would make the nightmare of Brexit immediately disappear and is something we would find very positive, subject to having to deal with the democratic aspects of the outcome of the referendum. But when it becomes necessary is something quite different and it would have become necessary tomorrow night at one minute before midnight Gibraltar time, one minute before 11 o'clock British time.

Hon. Members may also want to reflect that in the comments of the European Council there is the reference to the availability of the Article 50 mechanism, so if anyone in the United Kingdom doubted the availability of the Article 50 revocation mechanism, the Court of Justice of the European Union has already made that clear in the Brightman case and yesterday the chief negotiator emphasised that point.

Mr Speaker, the hon. Gentleman then asked me about the idea of the or a withdrawal agreement, in other words referring me to the possibility that there might be a new withdrawal agreement. In that respect, he will know that the Labour Opposition and the Conservative government – and I said that advisedly: he said the Prime Minister's team and the Leader of the Opposition's team; that is why I said the Conservative government, referring to the executive not the benches, and the Labour Opposition, again referring to the Shadow Cabinet, not the Opposition benches as a whole – are engaged in talks. What the EU has made clear is that they are happy to look at what changes are proposed but that the Withdrawal Agreement is closed at least on the red lines that had been put, and that the political declaration may be relevant. And indeed, just from the point of view of what we all see publicly and from the discussions that I had – I met with Keir Starmer in London yesterday and have spoken, as he knows, to David Lidington on a number of occasions and to the Prime Minister about this subject – the issues that are being put on the table, which are a customs union or access to the single market, are not about what happens on withdrawal, because the Withdrawal Agreement already contains a customs union continuing and the single market continuing; so, it is about the future and that is for the political declaration and how the red lines that led to the political declaration being agreed might be altered about a future agreement. They could have backward consequences into the Withdrawal Agreement. The aspect of the Withdrawal Agreement that has caused most difficulty is the backstop, which relates to Northern Ireland. If, in the political declaration about the future, the United Kingdom government goes back to the EU with the agreement of the Labour Opposition saying that they want a customs union, that half resolves the issue of the backstop – not in the Withdrawal Agreement, because the issue of the backstop is not in the Withdrawal Agreement; it is about it not being released once the future starts, so to speak. And so, in that respect, the position of the Europeans is that the Withdrawal Agreement is done and

dusted and will not be reopened. But, in any event, I had the assurances that the hon. Gentleman said we should have in respect of Gibraltar continued to be covered under the Withdrawal Agreement, even if that were to change. I am very pleased to be able to say that. In fact, it is something that I have shared before.

I think on that basis I have dealt with all of the points that the hon. Gentleman has put to me, but I just want to reflect that in putting the final point, that the hon. Gentleman is seeking to have reassurances that we have had reassurances – and we have had them, Mr Speaker, from the Prime Minister – they sometimes, and it is not him that does it, do not reflect so generously on the fact that we have received these assurances as a result of the relationship that we have enjoyed and the work that we have done with this Prime Minister and indeed with other Members of Parliament. I think at times like this they, and in particular he throughout, have noted the importance of that, and I am grateful for that reflection.

Mr Speaker: The Hon. Roy Clinton.

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

I would just like to ask the Chief Minister one point really about his Statement, and that is he did say he attended the People's Vote campaign meeting in London along with various other Members of the UK Parliament and I was just wondering whether the Chief Minister would welcome a motion of this House setting out in a substantive motion its view that the preference of this House would be for – call it a people's vote, a referendum, a confirmatory vote, as being the resolution of this House; and if the Chief Minister is in a position to say whether the Government would support that motion.

Certainly we on this side would be willing to consider it and indeed we would be willing to propose it if he is not in a position to do that from his side. I would be interested to know his view on that, and of course anything else that may help him to put across the unique view of Gibraltar to the Prime Minister.

Thank you, Mr Speaker.

Hon. Chief Minister: Mr Speaker, I am grateful for that invitation from the hon. Gentleman. I do not think that a motion of this House is required for me to be able to put the views of Gibraltar to the Prime Minister or indeed the force with which those views are held, but it is not necessarily something that we should discard in the event that there is a different Prime Minister at some stage, or indeed if we felt that it became appropriate at a different time.

What I would say to the hon. Gentleman is that this House is able to do many things on the basis of not working together; it is able to do many more things on the basis of working together. Indeed, if we were to take the view that this was necessary and if hon. Gentlemen thought that it was necessary, I would invite them to work with us on the timing and wording of this and how it is presented and not to trigger it in a way that they might consider is appropriate if they wanted to do it in a way that is going to have the maximum effect.

I do not think the moment has come yet. I think there are a number of things that we need to see play out, not least – and I have given an indication of this in the Statement I made a moment ago – the positions that political parties take in the European elections. The European elections may be the first referendum on Brexit since the Brexit referendum, after the General Election of 2017. In 2016 when the referendum occurred, the two leaders of the main political parties defended one position. In the General election their manifestos reflected the position that prevailed in the referendum. Now, in the European elections, we have yet to see what proposition the leaders of the main political parties will put, and the people of Gibraltar will want to choose very carefully the options in those European elections if it is possible to use the European elections as a first plebiscite on the issue of Brexit. There is an opportunity there which those who represent the Leave side in the referendum campaign have already seen. There is now a Brexit party alongside UKIP and votes will be counted, in my view, if the vote goes

ahead, in respect of votes for those parties who have stood for a further referendum or remaining and votes for those parties who have stood for just continuing with the Brexit result of the referendum in 2016. So, I think before we move this House into another position we need to observe what happens there and consider that very likely to be the first opportunity to cast a vote to remain.

Mr Speaker: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, the last few weeks have given us in Gibraltar a lot of anxiety with the pressing deadlines for Brexit looming nearer and without a clear indication from the House of Commons as to what sort of a Brexit we would end up with. As I have said repeatedly in my press statements and my statements to Parliament, the lack of leadership in the UK has been unfortunate and given rise to a situation which, although not of our making, has caused us a lot of anxiety.

The agreement to a long extension gives us some breathing space and allows us to plan for the future with a bit more serenity and calm, but we must not let down our guard, and for sure we must continue trying to influence efforts to revoke Article 50 or, failing that, another people's vote, given the lack of unity and clarity in the UK. Any demonstrations, speeches and the like is never enough and we should do as much of it as possible.

I take note of Government's continuous assurances that all preparations for a potential no-deal Brexit are in hand and that, regardless of what may happen, we are prepared, and I do hope this is indeed the reality. Therefore, I thank not only the Members opposite but the many people behind the scenes who have contributed to this hard work.

From this corner of the House I remain, as always, ever ready to assist in whatever role is required of me while continuing to represent the many voices in our community who have any doubts or concerns about the future, and bring them before this Parliament.

Thank you.

Hon. Chief Minister: Mr Speaker, the hon. Lady will be interpreted by me to ask me whether I agree with that at the end of her statement, and I do agree with that. I agree with the fact that it is important that if she receives any concerns from any member of the public about preparations for no deal etc. she does share them with us. She knows that she has access to all of us, as do other hon. Members, if she needs to raise issues with us. To raise issues with us, if I may say so with respect to hon. Members, is better than to raise the temperature publicly on the subject, so I do appreciate her saying that she will do that.

It is important not just to be prepared but for people to understand that we are prepared and to feel that we are prepared. In particular, if things go belly up, others might be trying to use the moment to try and propagandistically suggest to people who do business in Gibraltar that Gibraltar is not ready to deal with the circumstances of a Brexit and to try and lure them somewhere else. So, I do welcome the fact that she will be in touch with any concerns that she has.

She says that there has been a lack of leadership in the UK. Mr Speaker, can I just nuance that for her and for the House a little, because I think there has been a lot of leadership in the UK, leadership in respect of different very strongly held points of view that have indicated, more starkly perhaps than ever before, that there is a lack of a majority in the House of Commons for one particular view. Indeed, never before has it been so obvious that the House of Commons is made up of 650 different points of view, some of them across party lines and some of them coalescing around a party line, but just not enough of them to get one particular option over the 325 required to deliver a guaranteed majority in anything.

She will agree with me, no doubt, that there have been many outstanding voices in the Commons, and not just that of the Prime Minister, who has been caring and sensitive when it has come to Gibraltar throughout this period, but indeed many others who have demonstrated

390 their clarity of thinking, their passion, both in respect of leaving the European Union and remaining in the European Union or having a further referendum, and all of them people who the Deputy Chief Minister, other Ministers and I have been talking to about the Gibraltar issue so that the Gibraltar issue is not lost on any shade of opinion.

395 There are some who say that this is a bad time for British democracy. Probably history will say that this is one of British democracy's strongest moments with the House of Commons really coming into its own. I do not yet see what judgment history will pass, but I think on the Commons, on Parliament and on the Speaker in London the judgment of history will eventually demonstrate that they were on the right side, doing what their consciences required, always representing passionately their point of view and not allowing themselves to be pushed in one direction or another, despite the intimidation that one has read that many of them are suffering. 400 I think she will join me in that interpretation.

Mr Speaker: The Hon. Trevor Hammond.

405 **Hon. T N Hammond:** Mr Speaker, in light of the news today, that we read in the *Chronicle*, from the House of Lords Select Committee regarding the lopsided nature and potentially the breach of human rights that constitutes the Tax Treaty that has been signed between the United Kingdom and the Kingdom of Spain on behalf of Gibraltar and with the assent of the Gibraltar Government, and in light of the fact that that Treaty will be binding, regardless of the outcome 410 of the Brexit negotiations as they go forward – and any future extensions or any revocations of Article 50, or indeed any future referendums on the matter which may halt the entire process – does the Chief Minister in any way regret not having had wider discussions about the content and nature of that Treaty, perhaps including the community at large in understanding the potential impact of that treaty on Gibraltarians, on people resident in Gibraltar? And does he 415 perhaps regret not having put the signing of the Treaty in abeyance until such time as we actually knew the outcome of the Brexit process, rather than having had it signed and now tying our community to a treaty which, as I say, has been declared by a Select Committee of the House of Lords to be potentially in breach of human rights?

420 **Mr Speaker:** I am being very liberal in allowing the hon. Member to raise the question of the Tax Treaty. It can only be said very loosely to have anything to do with the Chief Minister's Statement. I am stretching the point very much in allowing ... The moment I heard the words 'Tax Treaty' I could have asked him to discontinue, but I am being very liberal. It is up to the Chief Minister whether he wishes to deal with the matter, or not. Also, we are anticipating 425 events. There is a motion on the agenda to debate the Tax Treaty. It is up to the Chief Minister. I do not think he can be compelled under the Rules to answer the point raised, unless he wishes to do so.

Hon. Chief Minister: Well, Mr Speaker, having heard the point raised by the hon. Gentleman, 430 I do wish to deal with the things that he has said, with the caveat that there is a motion to come and that I did not refer to the Tax Treaty in the context of the Statement I have made because I do not think it was relevant last night in the determinations of the European Council. But the hon. Gentleman tempts me to reply to what he has said and I am looking forward to it.

435 I had had no doubt, Mr Speaker, that I would be dealing with this point today in the House as a result of the Statement, even though it did not arise, so I had given some thought to the answer I would give to the point that I knew hon. Gentlemen would make, although I am surprised by who makes it.

Mr Speaker: May I say that I am aware of the fact that on the 1.30 news the Chief Minister 440 was asked about the matter. I do not know whether the Hon. Trevor Hammond was listening to

the 1.30 news. I make a point every day of listening to the GBC news at 1.30 – I need to keep myself informed, obviously.

Hon. Chief Minister: Thank you, Mr Speaker.

445 I will start where the hon. Gentleman ended. He said do I regret having done the thing in the way that I did and not in the way that he says he would have preferred me to do. Well, Mr Speaker, *je ne regrette rien* would be the best and easiest way to reflect the position of the Government. The hon. Gentleman says the House of Lords has declared that the Tax Treaty is potentially a breach of human rights. That is not a declaration. The House of Lords has said that
450 they ask the question of whether or not there are potentially breaches of human rights. The Government took advice on this before we agreed the treaty and the advice we had was that there were not breaches of human rights.

The hon. Gentleman says, 'If you had socialised the treaty further, you might have had the benefit of other advice.' Well, having socialised the treaty very widely afterwards, including with
455 them and indeed with lawyers from across the community in Gibraltar, including some who have been politicians in the past, nobody has suggested to us that there is a breach of human rights. So, simply answering the narrow point that the hon. Gentleman makes – which is, 'If you had socialised it further, would you have been told about the human rights problem and would you then therefore not have done it, and do you regret not having done the socialisation of the
460 treaty therefore?' – having done the socialisation of the treaty, the issue has not arisen.

Let us assume for a moment that the select committee is right in simply raising the issue – which is what they are doing, raising the issue for consideration; it is their role and they are absolutely right to do it – what would be the consequence? The consequence is simply that taxpayers affected will be able to engage the Supreme Court of either Spain or Gibraltar, or
465 indeed the European Court of Human Rights, for a determination of whether their human rights are in fact impaired by the treaty; and, if it is, the effect will be that the treaty will have to be considered amended by any finding of those courts which protects the human rights of those individuals – which of course, the hon. Gentleman might like to reflect, would then involve the recognition of the Supreme Court of Gibraltar by the Spanish legal and political establishment
470 because the treaty could not go beyond that, they would be bound by those findings. So, a further additional *massive* benefit and step forward for the people of Gibraltar as a result of the Tax Treaty.

Mr Speaker, the Tax Treaty is not something that concerns working people. It is not something that concerns people who are looking at how they are going to continue to derive the
475 benefit of living in Gibraltar. It is something that may concern some very rich people – some very rich people who have not properly organised their affairs in order to regularise their position with the exchequers of Spain or of Gibraltar, but not otherwise. Otherwise, it is just an instrument for planning, for knowing how disputes are going to be resolved.

In respect of the issue that creates the reference to human rights in the select committee
480 finding, or question, that arises from the principle of asymmetry. The principle of asymmetry is one that hon. Members, unless they wanted to make mischief with the treaty, which I have no doubt is what they are going to do when the time comes to debate it ... The principle of asymmetry is one that is born out of difference, not out of inequality. So, in other words, it is not that Spain has come to this negotiation with a blunderbuss and has been able to intimidate us
485 into giving them more than we get from them. What it is, is simply the difference between two positions: one system that has a territorial system of taxation and the other one which has an extraterritorial system of taxation. The territorial system of taxation is based on taxing the moneys where they arise, where they are earned or where they are remitted; the other, the worldwide system of taxation, needs as much information as possible about the individual to
490 find his money, wherever it may be in the world, to tax it. So, one system needs more information than the other system needs. And so, Mr Speaker, in those circumstances the asymmetry does not, in our view, create any difficulty whatsoever.

There are many other examples of asymmetry in international treaties because the parties coming to the treaty come with different objectives. Our objective is not to find out the worldwide assets of those who will be subject to the treaty and taxation in Gibraltar, because those worldwide assets are irrelevant to taxation in Gibraltar. That is the reality.

Hon. Members will be seeking to make mischief in respect of this widely for the next few months. Indeed, this evening at the show that the hon. Gentleman has invited everybody to come to – at 8.30 this evening, he has said, (*Laughter*) although I understand there is an important football match on this evening as well, involving a couple of teams – they will be seeking a mandate – not from everybody there, I suppose, but from only those holding a membership card; I am not sure how they are going to manage that – to give notice of revocation of the Tax Treaty if they are elected. As I have said, I am very pleased that they are going to do that, because at the next election, when the dust has settled and people have understood the treaty, the last thing that right-thinking people in Gibraltar will want to do, in particular if by then we are going to remain in the European Union, is revoke this treaty.

Mr Speaker, on the point of human rights and wider discussion with the community before entering into the treaty, I will leave the hon. Gentleman with two things to chew over. He, I assume, like I and everybody else, had to read the Cordoba Agreements after they were entered into by the former administration that he represents in this Parliament – so, so much for wider socialisation of agreements that are entered into before they are socialised. And second, when it comes to breaches of human rights, the progressives are sitting here on this side. We are the ones who have changed our laws to take steps forward on equality and we are the ones who are going to bring a Bill to this House to ensure that we are not in breach of our Constitution or the European Convention on Human Rights in respect of a woman's right to terminate a pregnancy. They are the ones seeking a mandate tonight not to do so. So much for concern for human rights. (*Banging on desks*)

Sale of affordable homes – Statement by the Minister for Housing and Equality

Mr Speaker: The Hon. Samantha Sacramento.

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, thank you for the opportunity to make a Statement this afternoon about the exact timing of sales of our new developments in affordable homes.

Housing is a fundamental cornerstone of our community and our Government has an unprecedented track record in providing for Gibraltar's housing needs at every level. Providing affordable housing is a top priority for us. Having already proved ourselves in the construction of affordable housing to a high standard, as well as building purpose-built flats for the elderly in our first term which provided in excess of 1,000 new homes, we have already announced our second wave of affordable housing at Hassan Centenary Terraces, Bob Peliza Mews and Europort Avenue. Additionally, we will further provide 161 former MoD properties which have already been sold at tender, the completion of which will commence as from 1st August, after the end of the Island Games. I know that a lot of families are excited about purchasing and moving into these new homes on some of the best real estate in Gibraltar.

In respect of the 50/50 schemes, we launched our first project, the construction of Hassan Centenary Terraces, in December and I am immensely satisfied at the interest that has resulted. The deadline for applications closed at the end of January and the response has been overwhelming. I am delighted to announce that the final figure for applications received, after having eliminated those who were ineligible, is 2,341. That is almost four times the number of flats available and therefore proof as to the interest in acquiring these properties. Since then,

the teams at both GRP and the Housing Department have been working together to filter and process the applications. This process has taken a little longer than with previous developments because of the way in which we have radically changed the allocation process. We have given a lot of thought to the manner in which we will allocate these flats to ensure that the allocation process will be as fair as possible.

Mr Speaker, I wish to share some important statistics that will demonstrate the real impact that our affordable housing strategy will have, and it is important to note that these figures relate only to Hassan Centenary Terraces, so indeed there will be further impact as we progress with our other developments.

We have given the first priority in allocation to those who are currently Government tenants and will release Government flats, and there are 130 such applications. All of these applications are guaranteed a flat. Furthermore, as a result of our carefully thought out incentive whereby unmarried couples are eligible to a three-bedroom home if applying jointly, as opposed to otherwise acquiring two two-bedrooms each if applying individually, results in greater availability of two-bedroom flats for others and will also avoid in a resulting empty flat in the long term. We have 197 such joint applications, which would otherwise have been 394 individual applications. That means essentially that we will have a further 197 flats available. A clear benefit will therefore be gained by all the other applicants to purchase on the 1RKB list, of which there are 850.

The community will see that there will be changes to the conditions of resale to ensure that these flats, which are intended to be used for owner occupation, are not purchased for speculation or any other form of profiteering. We are changing the underleases for the new developments to further tighten any possibility for abuse, something I know the whole community will want to support. Indeed, in this respect we have already acted by introducing a special stamp duty to prevent profiteering at Beach View Terraces and Mons Calpe Mews.

I know that there are many applicants for Hassan Centenary Terraces who are very keen to receive that important phone call offering them the opportunity to buy one of these homes. I can this afternoon confirm to the House that we shall commence the process of calling applicants for allocation on Wednesday, 24th April.

Finally, Mr Speaker, the next development will be Bob Peliza Mews and our final development in this wave will be at Europort Avenue. The designs and plans for Bob Peliza Mews will be launched before the summer and the sales will take effect shortly thereafter. Today, I wish to make a further very important announcement in relation to that estate. The Government has decided that the estate will follow the model we have successfully pioneered at Mons Calpe Mews and will include a block for rental. That block will provide purpose-built accommodation for the elderly. Not only will this result in a better quality of life for our elderly citizens but it will also release their current, mostly Government rental, accommodation back into stock for the benefit of those members of our community who cannot purchase and who need to be able to rent from the Government. We anticipate that these first two developments alone will see at least 200 housing rental properties being released and therefore made available to those on the waiting list. This is another real advantage of our construction of affordable housing for others who may be unable to afford to purchase in these schemes. We are therefore providing affordable housing for our community but our process also has that important consequential effect on our provision of rental stock that we all want to see.

Mr Speaker, this is an exciting time as we continue to offer affordable housing to our community. Thank you for allowing me to make this Statement and provide this important information to the House. *(Banging on desks)*

Mr Speaker: The Hon. Roy Clinton.

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

590 I thank the hon. Lady for her Statement and I am sure there will have been lots of people out there waiting to hear what the result of their application is.

If I may ask the Hon. Minister: in terms of the start date, when does she anticipate to start breaking ground on Hassan Centenary Terrace? And is the breaking of ground in any way dependent on the moving of the rubble mound on the east site which is adjacent to or part of the plot? I would be grateful if the Minister could answer that, and also if she can just confirm from her Statement that it would appear that she has no intention of constructing any new rental properties.

Hon. Miss S J Sacramento: Mr Speaker, I will start with the last point first, in that the hon. Gentleman seems not to have heard that I have just said the opposite and I have confirmed that we will be constructing new homes for rental.

In relation to breaking ground, we anticipate doing so in the third quarter of this year.

Hon. E J Reyes: Mr Speaker, can I ask the hon. Lady to clear up a slight confusion that I may have? She said in the first part of her Statement that she was building rental houses, but did she not add at the beginning that those rentals were going to be for the senior citizens only? Can she confirm that?

Hon. Miss S J Sacramento: Yes, Mr Speaker, and they are still rental. Probably in answer to the question that they are trying to figure out themselves, we are adding to the rental stock by way of the additional block for the elderly that we will construct, as well as the significant number of Government dwellings that will be released to those purchasing affordable housing who are currently housing tenants. And because of the way that we are undertaking the allocations – which is a different way than it has been done in the past – we will release a significant and substantial amount of Government flats.

Chief Minister (Hon. F R Picardo): If it is of assistance, Mr Speaker, to hon. Gentlemen, this is the one thing I have said that they did very well in Government: they introduced the concept of Bishop Canilla House. We welcomed the fact that they did that. It was a new concept at the time. We introduced 50/50; they introduced that.

We look at a different way of doing the allocations because we think we can get more per move of elderly persons to one of those residences if you look down the chain of who takes their property, but the experience we have had – and this is the point that the hon. Lady makes – is if you build 70 flats for the elderly and the elderly are living in three-, four- and five- bedroom accommodation where they have brought up their families, you release that and other properties in the trickle-down effect, because the family that might move into a five-bedroom that is presently occupied by an elderly couple might release a three-bedroom that goes to somebody who is either completely on the list not in their own home or in a smaller property going up, and that is why we 'entail' it, so to speak, to produce more properties.

If, instead of building housing for the elderly, we were simply to build a new block of three- and four-bedroom accommodation, what happens is that you build new houses of three and four bedrooms for people who are waiting for them and you leave elderly people who are in three-, four- and five-bedroom accommodation in three-, four- and five-bedroom accommodation. It is not a good way to manage the stock of housing that we have available.

Therefore, I invite them to agree with us, as we have agreed with them, that this is the best way to manage the rental stock.

Hon. E J Reyes: Thank you, Mr Speaker.

I thank the Chief Minister for explaining, and we do understand and certainly are not opposed to the logic of building the big five-bedroom because it does alleviate not just one family but, in the hypothetical examples given, two or three more families.

However – I have mentioned it to the Chief Minister in the past and he said it was something his Government was going to look into – if I can use a personal example, Mr Speaker, when we were young, before we had white hair, my wife and I decided to purchase in one of these co-ownership schemes. We are now being penalised by having purchased our property and not being able to enjoy what those who depended on the taxpayer to continue having rental accommodation ... and therefore would now be entitled to move into these wonderful – whoever built them, they are wonderful – senior citizen homes. My wife and I are in the position where, because we are homeowners, we cannot aspire to that, and to sell my property to move to something – downsize and so on – is not the same as moving into a purpose-built community area where senior citizens can share companionship, their needs and so on.

Has the Chief Minister made any progress in something he said he would look into in respect of those of us who have been home purchasers but cannot aspire to living in this type of accommodation reserved for senior citizens?

Hon. Chief Minister: Mr Speaker, only in Gibraltar do we consider sitting on a massive profit between the price that we pay for an affordable home and the price that we could sell it at today a penalisation. This is no doubt what the Spanish might call the greatest penal colony in the world.

I understand that the hon. Gentleman would like to live in the accommodation which has now been prepared for the elderly as a tenant paying rent, but he has to understand that the purpose of these elderly accommodations, which *they* created, was to decant other rental accommodation.

What I have said to him, and we are still working on it, is whether we can find a mechanism, not necessarily funded by the Government but perhaps in which the Government is an investor, where the private sector brings about these sorts of homes which allow individuals who have bought affordable homes to sell those affordable homes, keep a share of the return and purchase similar accommodation. Obviously, if the hon. Gentleman wanted to gift the Government the property that he bought, we might then be prepared to put him into this sort of accommodation, but to say, 'I wish to keep the profit and benefit of the capital growth,' – because remember that this is capital growth: you buy at one price, years pass and you pay your mortgage, but the difference between the amount you paid and the value of the property today is the capital growth, and in Gibraltar it is usually quite huge, especially if you bought from the Government. If you bought from a resale it is different, but if you bought from the Government, to today the capital growth is huge.

The hon. Gentleman is sitting on many hundreds of thousands of pounds if he bought his that way; and despite that, to be asking for a rental property from the Government – well, look, in those circumstances we are not able to help, but we are looking at other possibilities that might free up the market in purchased accommodation and provide one-bedroom-style accommodation for twilight years – and I do not regard him as being anywhere near his twilight years, Mr Speaker; he still gives a lot of war in this place and I hope to see him here for many years – so that that market can also find another escape.

The capital growth is very valuable indeed. It is part of the wealth that has been created as a result of successive affordable housing projects in Gibraltar, and that is one of the great successes of the first GSLP administration of 1988 in the creation of that home-ownership culture and the wealth that comes with it.

Hon. E J Reyes: Yes, I –

Hon. Chief Minister: It is not a debate, Mr Speaker.

Hon. E J Reyes: No, no debate, Mr Speaker. I just want to clarify –

Mr Speaker: I have been very liberal, because we are debating.

Hon. E J Reyes: Yes, just to clarify in the case of any doubt: I was not referring to it necessarily as having been a homeowner, which I still am. I do not want to move into the rental section; I just want to move into some sort of facility similar to, as close as possible to, that – which is why the Chief Minister has given an explanation, perhaps with a private sector investment in it. I leave that to them. I was just asking, my original part of the question was: had he made any progress on what he and I agreed two years ago was something that perhaps we can even work together, like the Chief Minister wants to keep on promoting, so that that generation – like the Hon. Member of course, we are now in our early 60s and although not quite in certain twilight years, we are looking to another pace of life and therefore another pace of accommodation.

Hon. Chief Minister: Mr Speaker, you are being so liberal today that the Deputy Chief Minister is going to claim you as a Member if you are not careful!

Mr Speaker, this is what it is ongoing. There are now new opportunities for this because there is going to be more land available – in particular the magnificent Victoria Quays development which will allow, as I have said, for affordable developments – not necessarily 50/50 developments, but affordable developments. This is something that is being looked at, as I have said. It is not something which is easy because the capital growth in these properties would have to be controlled so that the investment is one you can make but not one which you then make so much capital growth on as well that another couple in future are not able to purchase there.

So those are the issues: the cost of construction, which is the cost of sale and then the onward cost of the properties to keep them like that, because in the model that the hon. Lady is pioneering you do not have the ability for anybody who is not of pensionable age to come in in the future. So when those who are there as tenants now go, the children of them cannot have moved in, cannot stay because otherwise you lose the model. In purchase, it is different: you own. How can we tell you who not to sell to? And the lease requires restriction. There is an example of that in a development on the eastern side of Gibraltar. There were difficulties with that. So it is a very complex area which is not resolved with just one stroke of the pen.

Thank you very much, Mr Speaker.

Mr Speaker: Before we leave Ministerial Statements, I wish to commend to the hon. Lady the Minister for making that Ministerial Statement in Parliament and not just calling a press conference. (*Banging on desks*)

Standing Order 7(1) suspended 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.

Order of the Day

BILLS

FIRST AND SECOND READING

Healthcare (International Agreements) Bill 2018 – First Reading approved

735 **Clerk:** Bills – First and Second Reading.

A Bill for an Act to make provision about paying and arranging for healthcare provided outside Gibraltar and giving effect to healthcare agreements; and for connected purposes.

The Hon. the Deputy Chief Minister.

740 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, I have the honour to move that a Bill for an Act to make provision about paying and arranging for healthcare provided outside Gibraltar and giving effect to healthcare agreements; and for connected purposes be read a first time.

745 **Mr Speaker:** I now put the question which is that a Bill for an Act to make provision about paying and arranging for healthcare provided outside Gibraltar and giving effect to healthcare agreements; and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

750 **Clerk:** The Healthcare (International Agreements) Act 2019.

Healthcare (International Agreements) Bill 2018 – Second Reading approved

Deputy Chief Minister (Hon. Dr J J Garcia): I have the honour to move the Bill be now read a second time.

755 Tomorrow, Mr Speaker, 12th April, Gibraltar and the United Kingdom would have left the European Union without a withdrawal agreement. This would have been a so-called No Deal Brexit.

We first faced that cliff edge on 29th March. We may face it again at the end of October. This Bill is one more in the raft of legislative measures that are required in order to assist our orderly departure from the European Union.

760 The background to the Bill stems from our ongoing contact with departments in the United Kingdom in the context of planning and concerted action related to Brexit. The subject matter of the original Bill before the House today is healthcare. The objective is to provide a legal framework which would allow for new healthcare arrangements with EU countries once we are outside the European Union.

765 As hon. Members will know, there are currently several arrangements whereby healthcare is provided outside Gibraltar. Under those arrangements liabilities arise and payments are made. The type of healthcare agreements that are principally the focus of this Bill are healthcare agreements that the UK may enter into. In exchange for enfranchising Gibraltar in such arrangements, the UK may expect to be satisfied that there is adequate legal basis for payments

to be made. Therefore it is proposed that clause 3(2) is added to the Bill to make it clear that such agreements fall within the scope of this legislation.

Mr Speaker, I have given notice that I will be moving this and other amendments at Committee Stage. I will speak to those amendments at this time.

The first amendment that I will be moving at the Committee Stage amends the title so as to widen the scope of the Bill to include social security co-ordination within its ambit. The proposed new long title of the Bill would therefore be: 'An Act to make provision about paying and arranging for healthcare provided outside Gibraltar and giving effect to healthcare agreements to confer power to modify retained EU legislation relating to social security co-ordination and for connected purposes.'

Again, this is being done in conjunction with preparations made in the United Kingdom.

The Bill as amended will consist of three parts. The first contains the usual preliminary matters concerning the title and commencement.

Part 2 concerns healthcare agreements. The purpose of this part is to provide a statutory basis for the Minister with responsibility for Health to make payments that arise from the provision of healthcare outside Gibraltar.

I already explained the purpose of new 3(2) to which will be added to make it clear that such agreements fall within the scope of this Bill.

Clauses 5 and 7 are supplementary powers that may be exercised to make regulations or issue directions for the administration of any agreement.

Clause 6 requires that data protection is respected.

Part 3, Mr Speaker, consists of a single clause 8 and principally confers a power to modify five EU regulations relating to social security co-ordination. This will allow the Government to reflect its preferred policy if no agreement is reached with the European Union on social security co-ordination matters. Alternatively, it will allow the Government to make changes to the regime covering those persons who fall outside the scope of any agreement that may be entered into.

Mr Speaker, as my colleague, the Chief Minister has explained, the deadline for the United Kingdom's and Gibraltar's departure from the European Union has been extended to the end of October. Nonetheless, exit could happen earlier. It is therefore essential that Gibraltar puts in place the necessary legal framework in this important field in order to provide for the eventuality that we will leave the European Union at some point within the next six months.

Mr Speaker, I commend the Bill to the House. (*Banging on desks*)

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

The Hon. Roy Clinton.

Hon. R M Clinton: Thank you, Mr Speaker. I thank the Deputy Chief Minister for his reading of the Bill.

I have one question for him, and I apologise in advance if this has already been dealt with by the Government in some other press release or comment, and that is: I presume this is in relation really to anything with respect to the European Union, but do we have something specialised and bilateral with the United Kingdom or is that meant to be covered by this?

One very minor point – unfortunately my colleague, the Hon. Edwin Reyes is not in the Chamber, he usually points out that perhaps the Bill in the short title should be 2019 rather than 2018.

Thank you.

Mr Speaker: Does any other hon. Member wish to speak on the general principles and merits of this Bill?

I then call on the mover to reply.

Hon. Deputy Chief Minister: Yes, Mr Speaker. This is obviously in the event of a No Deal Brexit. In relation to the United Kingdom both in relation to health and in relation to social security co-ordination, there are no issues. This is in relation to agreements the UK may make with third parties and third countries – once the UK is a third country with European Union countries and others.

Mr Speaker: I now put the question which is that a Bill for an Act to make provision about paying and arranging for healthcare provided outside Gibraltar and giving effect to healthcare agreements; and for connected purposes – including the amendment to the long title to be proposed by the Hon. Member, of which he has given notice – be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Healthcare (International Agreements) Act 2019.

COMMITTEE STAGE AND THIRD READING

Healthcare (International Agreements) Bill 2018 – Committee Stage and Third Reading to be taken at this sitting

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

In Committee of the whole House

Healthcare (International Agreements) Bill 2018 – Clauses considered and approved

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, namely the Healthcare (International Agreements) Bill 2018.

Mr Chairman: A number of amendments have been circulated. They include amendments to the long title and also amendments to headings before certain clauses.

Clerk: A Bill for an Act to make provision about paying and arranging for healthcare provided outside Gibraltar and giving effect to healthcare agreements; and for connected purposes.
Clause 1 as amended, including the inclusion of titles before clause 1.

Mr Chairman: Stands part of the Bill.

Deputy Chief Minister (Hon. Dr J J Garcia): And Mr Chairman, 2019 instead of 2018.

Mr Chairman: 2019 instead of 2018 – stands part of the bill.

Clerk: Clause 2 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 3 as amended, including the introduction of a new title.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 4.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 5 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 6 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 7 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: New clause 8.

Mr Chairman: Stands part of the Bill.

Clerk: The long title as amended.

Mr Chairman: Stands part of the Bill.

**Healthcare (International Agreements) Bill 2018 –
Third Reading approved: Bill passed**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Healthcare (International Agreements) Bill 2018 has been considered in Committee and agreed to with amendments; and I now move that it be read a third time and passed.

Mr Speaker: I now put the question, which is that the Healthcare (International Agreements) Bill 2019 be read a third time and carried. Those in favour? **(Members: Aye.)** Those against? Carried.

Clerk: Bills – First and Second Reading.

ADJOURNMENT

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the House should now adjourn to Friday, 3rd May at 3 p.m.

I note, Mr Speaker, that the Leader of the Opposition is not here, although he must be in town because there is a meeting tonight, but I look forward to seeing him then.

Mr Speaker: Before I put the adjournment, as hon. Members are aware, it is a requirement under section 69(1) of the Constitution that the Estimates of Expenditure for the next financial year be circulated to hon. Members on a confidential basis not later than 30th April. Since the House is not scheduled to meet later this month, but will be meeting on 3rd May, 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 we 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.

Hon. E J Reyes: May I ask you, Mr Speaker, just one small thing so that I know the timetable? Before 30th April: the 29th is actually a Bank Holiday, and the week days before that I think coincide ... No, it is not Good Friday; it is a week after. So I take it that the Clerk will call us, as in the past, during the course of the week, before the 29th Bank Holiday long weekend. Is that the estimate?

Mr Speaker: Well, 30th April is not a Bank Holiday. That is the last day of the month. So I would imagine that the intention would be to have the Estimates circulated not later than 30th April. No?

Hon. Chief Minister: Mr Speaker, I do not know what the intention is because – (*Interjection by Mr Speaker*) But this is the point: the point is not so much the work on the Estimates; the point is the printing of the Estimates Book. I looked at this at some stage with the Clerk and I think we were clear that the last day of the month is a weekend. Then the next working day is the day when the Estimates have to be delivered.

Now, the only reason I say that, as hon. Members will see when they see the Estimates, I am quite keen for them to get them, but the reason I say that is because there are printer's issues and delivery from printer's issues.

Mr Speaker: I remember that the same point had to be rehearsed last year. (*Interjection by Hon. Chief Minister*)

Right, so I now put the question which is that the House do now adjourn to Friday, 3rd May at three in the afternoon. (**Members:** Aye.)

The House will now adjourn to Friday, 3rd May at three in the afternoon.

The House adjourned at 4.20 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.07 p.m. – 6.20 p.m.

Gibraltar, Friday, 3rd May 2019

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The Gibraltar Parliament

The Parliament met at 3 p.m.

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

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

Standing Order 7(1) suspended to proceed with laying of paper

Clerk: Meeting of Parliament, Friday, 3rd May 2019.

Order of Proceedings: Suspension of Standing Orders. The Hon. the Chief Minister.

- 5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with the laying of a paper on the table.

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

PAPER TO BE LAID

- 10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the table the Gibraltar Annual Policing Plan 2019-20.

Mr Speaker: Ordered to lie.

Tribute to William Serfaty

Clerk: We now move to Questions. We commence with Question 49. The Hon. L F Llamas.

- 15 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I think before we proceed to that stage of the proceedings, if I might just prevail upon your discretion to enable me to say a few words about a member of the community who has recently passed – and with the leave of Mr Llamas?

- It is with great personal sadness, and indeed sadness of the members of the Government I represent in this House, no doubt all hon. Members, and of the political party that I represent in particular, that I want to just reflect for a moment on the sudden passing of a staunch
20 Gibraltarian patriot – and, I think it is fair to say, friend of everyone he knew and most people in this House – earlier this week.

- As the House is well aware, William Serfaty passed away at the beginning of this week. He was an energetic and hardworking member of our community, both in his private capacity as a successful businessman – principally from the iconic Red House that his family has represented
25 for many years – and indeed as a political activist. It was in that later capacity that I best knew him and in which he really was in his element. Willy contributed extensively, of course, to the business community through the board of the Chamber of Commerce as well, and he

30 campaigned on initiatives to promote the democratic rights of the Gibraltarians, including the right to vote in European elections and the struggle against joint sovereignty amongst many others. He also contributed in the field of law enforcement. I have just laid on the table the Policing Plan, and Willy was a member of the Police Authority and Police Complaints Board when it was first instituted.

35 When I first came across him, it was to discuss the evils of the Brussels Agreement. He was one of those who then helped to carry the coffin of the Brussels Agreement symbolically, as part of an SDGG event, to this place, to Parliament, in defiance of the British government, and indeed, I think, of the Government of the day. But perhaps Willy's greatest contribution, and in which I had the most contact with him, was as Chairman of the SDGG. He was a founder member of that Group. I remember being there in my late teenage years. It was a meeting every 40 Tuesday at seven o'clock, and in the summer I was there religiously. I learnt a lot from him and the other leading lights of that organisation. Indeed, it was with Denis Matthews in the chair and with Willy on the committee that the decision was taken to pursue the Denise Matthews case, and indeed later this month I hope we will be voting in European elections as a result of exactly that decision.

45 Willy then went on to lead the SDGG for some years and he went on to address the United Nations Committee of 24 and the Fourth Committee in his capacity as Chairman of the Group. He and I coincided in New York on a number of occasions as a result and I will remember with great fondness those moments that we enjoyed together in New York.

50 I am sure that the whole of the Gibraltarian family and Willy's family in particular will feel justly proud of the contribution that he has made to help us all develop a democratic British Gibraltar, and I am going to ask the House to observe a minute's silence – perhaps not now but, if other Members want to say something, once we have all had an opportunity to reflect on his contribution.

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

Hon. E J Phillips: Mr Speaker, Her Majesty's Opposition joins the Government, of course, in remembering the life of Mr Serfaty.

60 I did not know Mr Serfaty that well, unlike many Members in this House. It is right that we have recently reflected on a life well lived in relation to his contribution to trade unionism and his nine long years as Chairman of the SDGG and it is right to remark on his contribution to public life and service to the people of our community. Our sincere condolences to his family.

I know that others on this side of the House wish to share some more special memories of Mr Serfaty. Indeed, my hon. and learned Friend Mr Feetham wishes to do so.

65 **Mr Speaker:** May I also express my sadness at Willy's passing away. Apart from being a close personal friend of mine, he had been – not for a long while, but he had been a co-opted member of the Executive Committee of the AACR. This perhaps is not very well known. It was, of course, before the Brussels Agreement. *(Laughter)*

70 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, I would like to add a few words of tribute of my own to what has already been said.

75 Willy was a friend and we worked very closely at the time when the Self-Determination for Gibraltar Group was launched. I understand he was a founder member of that organisation. I remember talking to him relatively recently after a talk I gave at the Garrison Library a few weeks ago, so it was very sad to learn of his passing.

80 He took over from Dennis Matthews in September 1998. Denis was the Chairman of the Self-Determination Group; Willy preferred to be known as a spokesman of the Self-Determination Group. He was there for nine years and I have to say that some of those nine years were very difficult for him in that context.

He was, as the Chief Minister has already said, a patriot. He was a Gibraltarian first and foremost, almost a Gibraltarian nationalist in his love for his homeland and for his country, a staunch defender of our right to self-determination and of our right to decolonisation, so I would like to add my own tribute and my own condolences to his family. (*Banging on desks*)

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Mr Speaker: The Hon. Daniel Feetham.

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Hon. D A Feetham: Mr Speaker, first of all, I associate myself entirely with the words of both the Chief Minister and the Deputy Chief Minister, and no doubt other Members of the House who will speak in due course.

Willy was a very good friend; he was a better friend of my father. Something that perhaps is not known is that Willy did his best to persuade me not to go into politics. He and John Gomez, I recall –

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Hon. Chief Minister: He was right!

Hon. D A Feetham: Well, he was right, indeed.

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He and John Gomez, I recall, had me downstairs in the Piazza for what seemed to be an eternity, trying to persuade me to take over from him in the SDGG and not to go into frontline politics.

Indeed, as the Chief Minister also records, on the trips to New York in order to address the United Nations when I was part of the Gibraltar delegation, and indeed when I addressed the United Nations – I think it was in 2002, as Leader of the then Labour Party – Willy was also there and we would have long discussions about politics.

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He was, Mr Speaker, a gentle person, very easy to befriend – anybody who knows him knows that that is true – always with a big smile on his face. From a young age he was committed to free association and in his later life he was committed to independence for Gibraltar. Indeed, in that context both myself and Maurice Xiberras, as supporters of the concept of devolved integration ... we would have long discussions and I can tell you that I would just simply leave, at the end of the discussion, the arguments to him and Maurice, and neither of them would give way.

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He was a man of principle. Willy made an early contribution – and this is not widely known – to Gibraltar public life when he was asked to go to Morocco. I think this is apposite at this moment in time, given what has been said over the last week about the Moroccan community and the contribution of the Moroccan community to Gibraltar after Franco closed the Frontier. He was asked to go to Morocco in order to assist, to evaluate Moroccan labour for skills and experience, on behalf of the Government, before they entered Gibraltar. He dealt with hundreds of Moroccan nationals on that basis.

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Willy helped his father, Abraham – as we all know, a former AACR Minister and a distinguished member of our community – to run their construction business. My father knew Willy very well and they were lifelong friends. Again, something that is not widely known: when my father led – one of the leaders – the General Strike in 1972, he then went to the United Kingdom in order to lead one of the cloth makers' unions there. We came back because the family was homesick and my father, because of his trade union activities, was blacklisted by businesses in Gibraltar, so he could not obtain employment here in Gibraltar. Willy employed my father in his father's construction business in order to ensure that my family could manage in what were very difficult times.

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William made sure that his Moroccan labour force were well looked after and my father tells me that he and William would go to the company's property where they were housed, every week, to ensure that his Moroccan labour force ... anything they needed, they were well taken care of – essentially that his workforce was well taken care of – and I think that that is a measure

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of the gentleness and the kindness of the man. My dad describes him as one of the most humane people he has ever met, and by all his friends he will be sorely missed.

135 Mr Speaker, all that remains for me is to offer my condolences to his family. To his son who is here in the Gallery today: for you ought to be extremely proud of your father. (*Banging on desks*)

Mr Speaker: The Hon. Marlene Hassan Nahon.

140 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I thank the Chief Minister and other hon. Members of the House for their beautiful tributes to Willy Serfaty, a man who gave so much of himself to Gibraltar, a man who will no doubt leave a mark on our political landscape, and a man that Gibraltar owes a lot to. Without looking for any protagonism and without any airs and graces, he was a man who was always present to strengthen our plight for the right to self-determination
145 simply because it was the right thing to do, while wanting nothing in return.

Willy Serfaty's political roots are deeply ingrained in our community. He was raised in a political family with his father, the late Abraham Serfaty, having been a formidable politician and Mayor of Gibraltar and also a great influence, friend and mentor to my late father, Sir Joshua Hassan, during very difficult times in Gibraltar. This would have certainly shaped Willy Serfaty's
150 values and convictions to become the defender of Gibraltar that he became when he founded the Self-Determination Group for Gibraltar. Delivering speeches and strong messages from Casemates on National Day and to the UN in New York, Willy Serfaty remained a strong ambassador for the Gibraltarian cause right up until the day he died.

Further, as my hon. Friend Mr Feetham has just said, Willy Serfaty is largely responsible for
155 recruiting many members of the Moroccan workforce decades ago, when they were so badly needed in the building trades particularly to advance our tiny and challenging economy at the time. His initiative was a great resource to us all.

This man was an intellectual, though, through and through. In the last couple of years he had the ongoing mission where he was writing a book on his family history and his family business,
160 and when he was not doing that he was managing his family business or collecting pieces of interest and even undertaking deep studies and analyses on the Phoenicians and the Pillars of Hercules.

For me personally, I will forever treasure the conversations I had with Willy, especially in the last couple of years, and his unwavering support for my political project, inspiring me each time
165 to keep working for the people of Gibraltar – apparently the opposite tack to the one he took with my hon. Friend to the right – assuring me that it was the right time to bring about a new brand of politics to our community. His loyalty and belief in my work is something that has helped me tremendously in my own trajectory, so I thank him, albeit posthumously, for his support to me and the many people like myself he has inspired during his lifetime to fight the
170 good fight on behalf of the people of Gibraltar. It is people like him that make societies better and more advanced, and for this we owe him a huge debt of gratitude.

I take this opportunity to extend my most heartfelt condolences to Willy's children, Sasha and my good friend Lisa, his siblings, cousins and of course his beloved grandchildren, who will
175 most certainly be feeling a huge void right now, but one which I am sure will be healed in time as they encounter wonderful memories and the values that this special man has left with them, as he has done with the rest of us, Mr Speaker.

Thank you. (*Banging on desks*)

Hon. Chief Minister: Mr Speaker, I am, given what I have heard, confirmed in my view of
180 Willy's wily political judgement and thank all hon. Members for their kind words. In friendship, in solidarity and in sorrow, I would ask the House now to observe a minute's silence.

The House observed a minute's silence.

Questions for Oral Answer

HEALTH, CARE AND JUSTICE

Q49/2019

Bayside Sports Complex – Drugs seizures

Clerk: (viii) We now move to answers to Questions and we commence with Question 49. The questioner is the Hon. L F Llamas.

185 **Hon. L F Llamas:** Mr Speaker, can the Government provide details regarding drugs seized by law enforcement officers at the Bayside Sports Complex since January 2013?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, as I noted to the hon. Gentleman in my answer to Question 576/2018, the RGP does not record statistics on venues where drugs are recovered.

Q50/2019

Drugs-free workplace policy – Numbers tested and results

190 **Clerk:** Question 50. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, since December 2018, how many employees in the Civil Service and the public sector have been tested under the drugs-free workplace policy announced by the Government in August 2018, including the number of positive and negative tests and substances
195 found?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, further to the press
200 release issued on 2nd August last year, I am delighted to be able to say that the RGP, in consultation with my Ministry, introduced the drugs-free workplace policy. The RGP are now able to test, with a total of 25 officers tested so far, all of which have come back negative.

Q51-52/2019

**Electronic patient record, health record and ambulance dispatch systems –
Suppliers and costs**

Clerk: Question 51. The Hon. L F Llamas.

205 **Hon. L F Llamas:** Mr Speaker, further to Question 545/2018, can the Government provide the dates for which the EPR and EHR systems payments correspond and explain why there are three providers involved in this system and what each invoice actually relates to?

210 **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 52.

215 **Clerk:** Question 52. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide details regarding the ambulance and emergency dispatch system it purchased, including the supplier, the date purchased, the date commissioned and the cost?

220 **Clerk:** Answer, the Hon. the Minister for Health, Care and Justice.

225 **Hon. N F Costa:** Mr Speaker, Cloud 21 assisted the GHA in identifying a supplier for the electronic health record portal system as part of the GHA's electronic health record procurement support. The contract provided the framework by which Cloud 21 would procure the electronic patient record services on behalf of the GHA. This supplier provided the project assurance.

230 Egton Information Systems Ltd, taken over by EMIS Health, were responsible for the provision of electronic health records and associated services, including A&E software called Symphony; Ecamis PMI, which is the Patient Master Index, which sets out patient demographics; and EMIS WEB for PCC, pharmacy and prescribing

I now hand over to the hon. Gentleman three schedules containing the requested invoice details in respect of each service provider.

Answer to Question 51 - Schedule 1**SUPPLIER: CLOUD 21**

<u>Inv Date</u>	<u>Description</u>	<u>Remarks</u>
05/02/2014	EHT (IT) - Consultation Fees	
13/02/2014	EHT (IT) EPR Project Assurance	
13/02/2014	EHT (IT) EPR Project Assurance	
19/02/2014	EHT (IT) EPR Project Assurance	
14/04/2014	EHT (IT) EHR Programme Management	
02/06/2014	EHT (IT) EPR Project Assurance	
02/06/2014	EHT (IT) EPR Project Assurance	
12/06/2014	EHT (IT) EPR Project Assurance	EPR Procurement Support
30/07/2014	EHT (IT) EPR Project Assurance	
01/09/2014	EHT (IT) EPR Project Assurance	Hotel/Flights/support contract
09/09/2014	EHT (IT) EPR Project Assurance	Contract discussion
10/11/2014	EHT (IT) EPR Project Assurance	EPR Procurement Support
21/11/2014	EHT (IT) EPR Project Assurance	Electronic Patient Record
18/12/2014	EHT (IT) EPR Project Assurance	EHR
22/01/2015	EHT (IT) EPR Project Assurance	EPR Procurement Support
05/03/2015	EHT (IT) EPR Project Assurance	EPR Programme
20/03/2015	EHT (IT) EPR Project Assurance	EHR
22/04/2015	EHT (IT) EPR Project Assurance	EPR Procurement Support
20/05/2015	EHT (IT) EPR Project Assurance	EPR Programme
20/05/2015	EHT (IT) EPR Project Assurance	
26/05/2015	EHT (IT) EPR Project Assurance	P Anderson visit April 15 (EHR)
11/06/2015	EHT (IT) EPR Project Assurance	Flight/Apt/Hotel
09/07/2015	EHT (IT) EPR Project Assurance	EPR Support
01/09/2015	EHT (IT) EPR Project Assurance	EPR Procurement Support
14/09/2015	EHT (IT) EPR Project Assurance	Karen Ma
09/10/2015	EHT (IT) EPR Project Assurance	Programme assurance & expenses
18/11/2015	EHT (IT) EPR Project Assurance	EPR Procurement Support
14/12/2015	EHT (IT) EPR Project Assurance	EPR Support
04/02/2016	EHT (IT) EPR Project Assurance	
07/03/2016	EHT (IT) EPR Project Assurance	Process Maps-Flights-Hotels
07/03/2016	EHT (IT) EPR Project Assurance	Process maps-flights-hotels
07/03/2016	EHT (IT) EPR Project Assurance	Process Mapp'g Proj-Expenses
10/03/2016	EHT (IT) EPR Project Assurance	
10/03/2016	EHT (IT) EPR Project Assurance	
31/05/2016	EPR - EHT (IT) - Project Assurance - Cloud 21	
17/06/2016	EPR - EHT (IT) - Project Assurance - Cloud 21	EPR Procurement Support
13/07/2016	EPR - EHT (IT) - Project Assurance - Cloud 21	Electronic Record Project
30/09/2016	EPR - EHT (IT) - Project Assurance - Cloud 21	
14/10/2016	EPR - EHT (IT) - Project Assurance - Cloud 21	EHR Programme Project
21/11/2016	EPR - EHT (IT) - Project Assurance - Cloud 21	M Beckett - GHA Assurance
01/03/2017	EHT (IT) EPR Project Assurance	
07/03/2017	EHT (IT) EPR Project Assurance	
02/06/2017	EHT (IT) - Maintenance & Licencing Agreements	
02/06/2017	EHT (IT) - Maintenance & Licencing Agreements	

Answer to Question 51 - Schedule 2**SUPPLIER: EGTON INFORMATION SYSTEMS LTD**

<u>Inv Date</u>	<u>Description</u>
09/06/2015	(GIBHAID01) GHA - CORE SERVICES - CORE DELIVERY - PHASE ONE PID (LD7211) LOT 1 - PAS/ED
	(GIBHAID01) GHA - CORE SERVICES - CORE DELIVERY - PHASE ONE PID (LD7211) LOT 2 - PRIMARY CARE - PHASE 1 PRIMARY CARE
	(GIBHAID01) GHA - CORE SERVICES - CORE DELIVERY - PHASE ONE PID (LD7211) LOT 2 - PRIMARY CARE - PHASE 1 - COMMUNITY
	(GIBHAID01) GHA - CORE SERVICES - CORE DELIVERY - PHASE ONE PID (LD7211) LOT 2 - PRIMARY CARE - PHASE 1 - COMMUNITY PHARMACY RECEPTION
02/07/2015	GIB HA001 - PHASE 1 20% INSTALLATION - LOT 1
	GIB HA001 - PHASE 1 20% UAT - LOT 1
	GIB HA001 - PHASE 1 20% GO LIVE - LOT 1
	GIB HA001 - PHASE 1 20% INSTALLATION PCC - LC
	GIB HA001 - PHASE 1 20% UAT PCC - LOT 2
	GIB HA001 - PHASE 1 20% PCC GO LIVE - LOT 2
	GIB HA001 - PHASE 1 20% PCC COMMUNITY INS
	GIB HA001 - PHASE 1 20% PCC COMMUNITY UA1
	GIB HA001 - PHASE 1 20% PCC COMMUNITY G
10/09/2015	EMIS HEALTH GIBHAREV ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/06/15 TO 25/09/15 - LOT 1 PAS/ED PHASE 1
	EMIS HEALTH GIBHAREV ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 25/09/15 TO 25/12/15 - LOT 2 PRIMARY CARE PHASE 1

Answer to Question 51 - Schedule 3**SUPPLIER: EMIS HEALTH**

Inv Date	Description
17/09/2015	ANNUAL RECURRING CHARGES LOT 3 MENTAL HEALTH HARDWARE PHASE 1 - HARDWARE BUSINESS GO LIVE 26/06/15 EMIS CONTRACT REF LD7211 FROM 26/06/15 TO 25/09/15
15/01/2016	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/12/15 TO 25/03/16 LOT 1 PAD/ED PHASE 1 HARDWARE - ED - BUSINESS GO LIVE 26/06/15
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/12/15 TO 25/03/16 LOT 1 PAS/ED PHASE 1 - ED - BUSINESS GO LIVE 26/06/15
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/12/15 TO 25/03/16 LOT 2 PCC PHASE 1 - HARDWARE BUSINESS GO LIVE 26/06/15
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/12/15 TO 25/03/16 LOT 2 PCC PHASE 1 - PCC BUSINESS GO LIVE 26/06/15
09/02/2016	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/12/15 TO 25/03/16 LOT 3 MENTAL HEALTH HARDWARE PHASE 1 - HARDWARE - BUSINESS GO LIVE 26/06/15
	GHA-CORE SERVICES - CORE DELIVERY -NOTE: LOT 1 - AS/ED - PHASE 2 - PAS - PID - APPROVED 22/01/16 LD7211 - 3RD PARTY ELECTRONIC HEALTH RECORDS & ASSOCIATE SERVICES GIBRALTAR HEALTH AUTHORITY GIBHA06
05/04/2016	GHA-CORE SERVICES - CORE DELIVERY -NOTE: LOT 3 - MH - PHASE 2 - MH PAS - PID APPROVED 22/01/16 ID7211 - 3RD PARTY ELECTRONIC HEALTH RECORDS & ASSOCIATIVE SERVICE GIBRALTAR HEALTH AUTHORITY GIBHA06
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/03/16 to 25/06/16 LOT 1 - PAS / ED PHASE 1 - HARDWARE - BUSINESS GO LIVE 26/06/15
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/03/16 to 25/06/16 LOT 1 - PAS / ED PHASE 1 - ED - BUSINESS GO LIVE 26/06/16
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/03/16 to 25/06/16 LOT 2 - PRIMARY CARE PHASE 1 - HARDWARE - BUSINESS GO LIVE 26/06/16
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/03/16 to 25/06/16 LOT 2 - PRIMARY CARE PHASE 1 - PRIMARY CARE - BUSINESS GO LIVE 26/06/15
22/06/2016	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/03/16 to 25/06/16 LOT 3 - MENTAL HEALTH HARDWARE PHASE 1 - HARDWARE - BUSINESS GO LIVE 26/06/16
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/06/16 - 25/09/16 LOT 1 - PAS/ED PHASE 1 - HARDWARE - BUSINESS GO LIVE 26/06/16
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/06/16 - 25/09/16 LOT 1 - PAS/ED PHASE 1 - ED - BUSINESS GO LIVE 26/06/16
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/06/16 - 25/09/16 LOT 2 - PRIMARY CARE PHASE 1 - HARDWARE - BUSINESS GO LIVE 26/06/16
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/06/16 - 25/09/16 LOT 2 - PRIMARY CARE PHASE 1 - PRIMARY CARE - BUSINESS GO LIVE 26/06/15
06/10/2016	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY IN ADVANCE ON BUSINESS GO LIVE FROM 26/06/16 - 25/09/16 LOT 3 - MENTAL HEALTH HARDWARE PHASE 1 - HARDWARE - BUSINESS GO LIVE 26/06/16
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY ADVANCE ON BUSINESS GO LIVE FROM 26/09/16 TO 25/12/16 LOT 1 - PASS/ED PHASE 1 - HARDWARE - BUSINESS GO LIVE 26/06/15
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY ADVANCE ON BUSINESS GO LIVE FROM 26/09/16 TO 25/12/16 LOT 1 - PAS/ED PHASE 1 - ED - BUSINESS GO LIVE 26/06/16
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY ADVANCE ON BUSINESS GO LIVE FROM 26/09/16 TO 25/12/16 LOT 2 - PRIMARY CARE PHASE 1 - HARDWARE - BUSINESS GO LIVE 26/06/16
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY ADVANCE ON BUSINESS GO LIVE FROM 26/09/16 TO 25/12/16 LOT 2 - PRIMARY CARE PHASE 1 - PRIMARY CARE - BUSINESS GO LIVE 26/06/15
	ANNUAL RECURRING CHARGES - CHARGEABLE QUARTERLY ADVANCE ON BUSINESS GO LIVE FROM 26/09/16 TO 25/12/16 LOT 3 - MENTAL HEALTH HARDWARE PHASE 1 -HARDWARE - BUSINESS GO LIVE 26/06/16

235 **Hon. N F Costa:** A training package and licence to operate an ambulance dispatch system was purchased from Priority Medical Dispatch in October 2011. The cost of the project was £83,605.54. This system has not yet been commissioned.

Hon. L F Llamas: Mr Speaker, whilst we wait for the schedule to be distributed, could I ask a supplementary on Question 52, please?

240 Can the Minister explain why, seven years later, the actual system for the emergency dispatch for the Ambulance Service has not actually become operational?

Hon. N F Costa: Mr Speaker, this is a system that would require input from different Departments and agencies, not just the GHA. It would also require input from Departments that are the responsibility of some of my colleagues.

245 I know that the Commissioner of Police is in fact very keen to be able to use this system and he tells me that he has started the process of being able to consult with the different agencies to see whether the system could become operational.

250 **Mr Speaker:** Any other supplementary? The Hon. Roy Clinton.

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

Can I ask the Hon. Minister if he is satisfied with the implementation of the prescription system, or whether he has encountered any problems with software on implementation?

255

Hon. N F Costa: Mr Speaker, there seems to be a technical issue in respect of automation. It is important, of course, to be able to reconcile the number of pharmaceutical item products that are sold on by the pharmacist to the end user, and whereas EMIS as a whole does seem to be working well and operates effectively, there seems to be an issue with the automatic reconciliation, and so the GHA and EMIS have been working to make sure that that reconciliation happens in an automated fashion, correctly.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer. Would that therefore be the reason why there may have been reported delays in payments to pharmacies on amounts on the prescription system in terms of medicine that they have dispensed and obviously are waiting for payment from the GHA?

Hon. N F Costa: That is correct, Mr Speaker. Until the automated functionality is sorted out entirely the GHA has to conduct this exercise manually. As he can imagine, given the volume of items that are prescribed, the exercise of manually carrying out this exercise takes a bit of time and sometimes an item here or there could be missed.

Mr Speaker: Next question.

Q53-58/2019

Gibraltar Health Authority –

Accommodation re sponsored patients in London hospitals; average waiting times re audiology and pain clinic; COPD and cancer diagnoses

Clerk: Question 53. The Hon. L F Llamas.

275

Hon. L F Llamas: Mr Speaker, what is the Government's accommodation policy with regard to sponsored patients when visiting London hospitals?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

280 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, I will answer this question together with Questions 54 to 58.

Clerk: Question 54. The Hon. L F Llamas.

285 **Hon. L F Llamas:** Mr Speaker, can the Government provide details regarding the room rates paid for sponsored patients staying at Calpe House when located at Prince's Square in London, together with the current nightly rates paid at its new Norfolk Square property?

Clerk: Question 55. The Hon. L F Llamas.

290 **Hon. L F Llamas:** Mr Speaker, what is the current average waiting time for service users requiring audiology services?

Clerk: Question 56. The Hon. L F Llamas.

295 **Hon. L F Llamas:** Mr Speaker, can the Government provide the number of diagnoses of chronic obstructive pulmonary disease by type since January 2012?

Clerk: Question 57. The Hon. L F Llamas.

300 **Hon. L F Llamas:** Mr Speaker, can the Government provide the number of incidents of cancer by type since January 2012?

Clerk: Question 58. The Hon. L F Llamas.

305 **Hon. L F Llamas:** Mr Speaker, what is the current average waiting time for patients to receive treatment at the pain clinic?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

310 **Hon. N F Costa:** Mr Speaker, the policy in respect of the accommodation of sponsored patients and their escorts when visiting London hospitals is that, wherever possible, Calpe House will be the first option. If, for any medical reason and/or because Calpe House accommodation is not available, then the GHA's Sponsored Patients team will identify a suitable alternative.

315 The room rate at Calpe House at its new location is £50 per night. Room rates, however, were not applied at its former location. Previously, Calpe House had received an annual grant of £50,000 from the Government.

Audiology services can be divided in to two key areas: hearing tests and hearing aids. There is no waiting time for hearing tests. On receipt of a referral from a clinician for a hearing test, a patient's test can be scheduled in the same week, or soon after, at the convenience of the patient. With regard to hearing aids, there are currently 104 patients waiting for hearing aids. Twenty hearing aids are fitted each month. This is due to the need to make an individual mould for a patient's ear and then to have the aid made and fitted.

320 A new full-time audiologist, Miss Michelle Quinn, started work with the GHA on 7th January this year. She is currently being supported by Mr Tony Loddio, who is conducting a handover of the role. Michelle is also working very closely with Mr Julian Danino, a newly appointed ENT surgeon, to review audiology services overall.

325 Mr Speaker, COPD is a singular condition and is not divided by type. The GHA is not able to provide exact data regarding the number of COPD diagnoses per year since 2012. Since the

330 GHA's patient database (EMIS) was introduced in 2015, both existing and newly diagnosed COPD patients have been systematically added to the database. I can, however, confirm that there are currently a total of 581 COPD patients registered.

In relation to the incidence of cancer, the information requested is contained in the schedule I now hand over the hon. Gentleman.

Answer to Question 57

Type	* 2012-2016
Malignant neoplasm of breast	117
Malignant neoplasm of prostate	69
Malignant neoplasm of colon	55
Malignant neoplasm of bronchus and lung	40
Malignant neoplasm of lip, mouth and pharynx	29
Malignant neoplasm of bladder	23
Malignant neoplasm of rectum	20
Malignant neoplasm of oesophagus	10
Malignant neoplasm of rectosigmoid junction	14
** All other malignancies	78

* The GHA is currently processing figures for the period after 2016

** Data for rarer cancers has been aggregated to protect confidentiality

335 Mr Speaker, the current average waiting time for patients to receive treatment at the pain clinic is as follows. Invasive/infiltration treatment: urgent, no wait up to two weeks; routine, 16 weeks.

340 **Hon. L F Llamas:** Mr Speaker, with regard to Question 58/2019, I have actually got more than two constituents who claim to have been waiting for in excess of a year to be seen at the pain clinic. Given the answer of the Hon. Minister, which claims that there is not any waiting time, I shall therefore be writing to him with the details of these constituents to see if he can look into the matter as a matter of urgency, please.

345 **Hon. N F Costa:** Mr Speaker, certainly the patients should not have been waiting that time or anywhere close to a year. As I have just explained, urgent referrals should have no wait whatsoever or up to two weeks; and for the non-urgent, routine referrals, a maximum of 16 weeks.

350 The hon. Gentleman of course can proceed however he likes, but he does not have to wait for Parliament to tell me that he is going to write to me in respect of a constituent; he can do so at any time.

Q59/2019
Ocean Views –
Psychology services

Clerk: Q59. The Hon. L F Llamas.

355 **Hon. L F Llamas:** Mr Speaker, since the in-house consultant clinical psychologist commenced employment at Ocean Views in October 2018, how many service users have received one-to-one sessions and how many have received more than the single one-to-one session?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

360

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, since the consultant clinical psychologist commenced employment with the GHA in October of last year, 41 in-patients at Ocean Views have received one-to-one sessions, of whom 36 have received more than one one-to-one session.

365 In addition, Dr Barber has provided psychology services to 21 persons who are not patients at Ocean Views and five outpatients of Ocean Views.

Q60-62/2019
Health and care workers –
ERS transfers; PCC counter staff; supply workers

Clerk: Question 60. The Hon. L F Llamas.

370 **Hon. L F Llamas:** Mr Speaker, can the Government provide a schedule with the details for each transfer executed within the Elderly Residential Services since October 2017 to date, including the post held by the employee, origin of transfer, destination upon transfer, and whether their original post has been replaced by a supply worker or ERS employee?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

375

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I will answer this question together with Questions 61 and 62.

Clerk: Question 61. The Hon. L F Llamas.

380

Hon. L F Llamas: Mr Speaker, since January 2017, can the Government state on a quarterly basis the composition of counter staff at the Primary Care Centre, detailing how many are employed directly by the GHA and how many are employed via a supply worker business or company?

385

Clerk: Question 62. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, as at 21st January 2019, how many workers providing services in the health and care sector are employees of a supply worker agency?

390

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Hon. N F Costa: Mr Speaker, I now hand over to the hon. Gentleman a schedule with the information requested relating to transfers within Elderly Residential Services since October 2017.

Mr Speaker, just for the purposes of *Hansard*, I have just told Frances that I cannot find the schedule, so I am asking for that to be printed and then I will send it to the hon. Gentleman.

Answer to Question 60

post held	original dept	destination	replaced by
Personal Secretary	ERS Admin	GHA Admin	Interview to fill this post to take place on 27/06/19
Admin Officer	ERS Admin	Social Services	Replaced by permanent appointment on probationary period
RGN	ERS Nursing	GHA Nursing	Interview to fill this post to take place on 16/05/19
Nursing Assistant	ERS Nursing	GHA Nursing	Replaced by permanent appointment on probationary period
Nursing Assistant	ERS Nursing	GHA Nursing	Replaced by permanent appointment on probationary period
Nursing Assistant	ERS Nursing	GHA Nursing	Replaced by permanent appointment on probationary period
Nursing Assistant	ERS Nursing	GHA Nursing	Replaced by permanent appointment on probationary period
Nursing Assistant	ERS Nursing	GHA Nursing	Replaced by permanent appointment on probationary period

In respect of the answer to Question 61, I now hand over a schedule with the information requested in relation to the counter staff at the Primary Care Centre.

Answer to Question 61

Quarter	Primary Care Centre Counter Staff	GHA Employed	Agency Worker
Jan – Mar 17	25	5	10
Apr – Jun 17	23	7	8
Jul – Sept 17	23	13	2
Oct – Dec 17	23	13	1
Jan – Mar 18	24	12	1
Apr – Jun 18	27	12	6
Jul – Sept 18	27	11	7
Oct – Dec 18	27	10	8

Mr Speaker, as at 21st January, there were 321 agency workers providing services within the health and care sectors.

As at 3rd May, there are currently 184 agency supply workers providing services within the health and care sectors.

On 14th, 16th and 30th May and on 27th June – of this year, of course – interviews will be taking place for industrial and non-industrial posts within the health and care sectors. On the conclusion of the recruitment process, the only agency workers providing services in the health and care sector will be those conducting domiciliary care within the Care Agency.

Q63/2019

Gibraltar Health Authority –

Service level agreements entered into since January 2012

Clerk: Question 63. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide details regarding any service level agreements which have been entered into by the GHA since January 2012?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, since January 2012, the GHA has entered into service level agreements with the following medical centres: Great Ormond Street Hospital, Imperial Health Care Hospitals, Moorfields Eye Hospital, Royal Marsden Hospital, Guys and St Thomas' Trust, South London and Maudsley Hospital, University College London Hospitals, St George's Hospital, Leicester University Hospitals, NHS England, Xanith Hospital, Quironsalud, Medrano, Clinica Radon/Genesis Care, Clinica Universidad de Navarra and Grupo Hospiten.

Mr Speaker, I will provide a photocopy to the hon. Gentleman – it could have been easier than just reading off the list.

Hon. L F Llamas: Mr Speaker could I ask if any of the healthcare providers listed whose service level agreements were entered into have now been terminated?

Hon. N F Costa: Mr Speaker, we need notice of that question.

Q64/2019

Stillbirths –

Amendment to legislation re registration

Clerk: Question 64. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, is the Government committed to amend the current legislation for stillbirths in Gibraltar in order to allow parents who may wish to register the birth of their baby delivered still prior to the current 24-week threshold, if they so wish?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, as the hon. Gentleman knows, at present, parents are able to record their loss in a book of remembrance if there has been confirmed gestation of 20 weeks or less. After 20 weeks, parents can be issued with a plaque to have their own message inscribed and returned to Maternity Ward for recording on the marble plinths in the GHA's Garden of Serenity.

I have explained to the hon. Gentleman that to register stillbirths below the 24-week threshold raises an important legal issue, namely reducing the defined period of 24 weeks for the registration of stillbirths in the Births and Deaths Registration Act. I cannot amend the Births and Deaths Registration Act, as I am not the Minister for Civil Status and Registration.

As I think I have suggested to the hon. Gentleman, he should seek a meeting with the Hon. the Chief Minister to discuss the legal issue.

Hon. E J Reyes: Mr Speaker, may I, before you move another question?

Mr Speaker: The Hon. Edwin Reyes, yes.

Hon. E J Reyes: The Minister for Health passed round the schedule in answer to Question 61, and it says the Primary Care Centre counter staff ... If I can take the first one, there is a total of 25 for the first quarter of 2017, and then he lists five as being GHA employed and 10 agency workers. That only makes it 15. None of the numbers tally with the total. Perhaps I am misreading something, or ... Where are the missing figures?

460 **Hon. N F Costa:** No, Mr Speaker, the hon. Gentleman is correct, they do not tally because the question relates to GHA employees, so the other employees are public sector workers not directly employed by the GHA; they could be GDC or they could be civil servants. I do not have the exact detail ... or maybe I do. No, I am afraid I do not have the exact detail of the composition of the balance of the directly employed workers, but if they do not feature as GHA
465 directly employed it can only be because they are public sector workers – not GHA but either GDC or civil servants.

Mr Speaker: Next question.

Q65-74/2019
Prison Act 2011 –
Release of offenders on licence

Clerk: Question 65. The Hon. D A Feetham.

470 **Hon. D A Feetham:** Mr Speaker, in relation to all offenders convicted of violent or sexual offences released on licence since the Prison Act commenced, please provide details of their sentence and time served before release.

475 **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 66 to 74.

480 **Clerk:** Question 66. The Hon. D A Feetham.

Hon. D A Feetham: In relation to all offenders convicted of violent or sexual offences released on licence since the Prison Act commenced, please state whether there have been any cases where an offender has been released on licence without notifying the victim or their
485 families.

Clerk: Question 67. The Hon. D A Feetham.

Hon. D A Feetham: In relation to all offenders convicted of violent or sexual offences released on licence since the Prison Act commenced, please state in how many cases offenders have been released with conditions on their licence designed to protect the victims or their
490 families.

Clerk: Question 68. The Hon. D A Feetham.

495 **Hon. D A Feetham:** In relation to all offenders convicted of violent or sexual offences released on licence since the Prison Act commenced, how many instances of breach of licence conditions have there been?

500 **Clerk:** Question 69. The Hon. D A Feetham.

Hon. D A Feetham: Has the Law Commission considered reform of the parole system or the Government invited victims to provide submissions to them about their experiences of the parole system?

505 **Clerk:** Question 70. The Hon. D A Feetham.

Hon. D A Feetham: Since the Prison Act commenced on 23rd September 2011, how many victims of violent or sexual offences or the families of such victims been asked to provide representations or their views to the Parole Board pursuant to Schedule 1 of that Act prior to their advice to the Minister?

510

Clerk: Question 71. The Hon. D A Feetham.

Hon. D A Feetham: In relation to the previous question on the number of victims of violent or sexual offences who have been asked to provide representations or their views to the Parole Board pursuant to Schedule 1 of the Prison Act, please provide details of the length of sentence and the time served before that offender was ultimately released.

515

Clerk: Question 72. The Hon. D A Feetham.

Hon. D A Feetham: Since the Prison Act commenced, how many victims of violent or sexual offences or the families of said victims have not been asked to provide representation or their views to the Parole Board pursuant to Schedule 1 of that Act prior to the Board's advice to the Minister?

520

Clerk: Question 73. The Hon. D A Feetham.

Hon. D A Feetham: In relation to the previous question on the number of victims of violent or sexual offences who have been asked to provide representations or their views to the Parole Board pursuant to Schedule 1 of the Prison Act, please provide a breakdown of the offences for which the offenders were convicted.

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Clerk: Question 74. The Hon. D A Feetham.

Hon. D A Feetham: In relation to victims of violent or sexual offences or the families of such victims who have not been asked to provide representation or their views to the Parole Board pursuant to Schedule 1 of that Act prior to the Board's advice to the Minister, please provide a breakdown of (a) the offence, (b) the length of sentence and (c) time served before they were ultimately released on licence.

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Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

Hon. N F Costa: Mr Speaker, I now hand over to the hon. Gentleman a schedule which includes the sentences imposed on prisoners in relation to violent and sexual offences who were released on parole licence since the Prison Act 2011 commenced, together with the length of sentence served.

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Answer to Question 65

PRISONER	SENTENCE				TIME SERVED (DAYS)
	YEARS	MONTHS	WEEKS	DAYS	
1	2	2			303
2	4				799
3	3			21	373
4	4	6			550
5	7			135	1246
6	1	6			186
7			46		182
8		22			358
9		18			186
10		22			327
11	3				367
12	4	6			915
13	2	8			449
14		16		14	217
15		24			243
16	3				365
17	2	4			482
18	4	5			729
19		12			184
20	5	7	20		819
21		16			199
22	3	3		45	409
23	4				659
24	2	8			326
25	2	11			354
26	13				1609
27	7				925
28	2	8			347
29	2				326
30		20			204
31	4	3			639
32		18			189
33		12			209
34	3				396
35		20			200
36		18			182
37	4				660
38		16			196
39	4	8			853
40	2				253
41	7	8			962
42		21	6	72	482
43	3	4			495
44	1	8		15	207
45	1				186
46	5	6			690

The number of offenders convicted of violent or sexual offences and released on parole licence since the Prison Act commenced is 29 for violent offences and four for sexual offences. Overall, parole licences inherently focus on managing all risks and predominately risk of harm to the public. The Parole Board routinely applies specific conditions in all cases involving sexual offences and in cases in which a specific victim is assessed to be at risk of violence from the offender.

The number of breach of licence conditions for offenders convicted of violent or sexual offences released on licence since the Prison Act commenced is eight. The breach of licence conditions have all been in respect of offenders convicted for violence-related offences. None of these breaches have been in relation to any incidents involving victims of their original index offences.

Mr Speaker, as Government has stated on numerous occasions – in particular in answers to Questions 354/2017, 53/2018, 569/2018 and Press Release 753/2017 – the Law Commission,

comprised of leading experts in their respective fields, is carefully scrutinising the Prison Act, in particular the point at which a person serving a sentence of imprisonment becomes eligible for release on parole, and will be considering all options, especially how to protect the victims of crime and the general public. The Law Commission will issue a consultation document for the public to submit representations on the proposed reforms to the Prison Act.

Mr Speaker, the Government is not able to answer Questions 66 and 70 to 74, as the Parole Board is an independent statutory body. I refer the hon. Gentleman to the Prison Act 2011, specifically section 52(11), where it states that 'Without prejudice to the jurisdiction of the courts, in the exercise of their functions the Parole Board and its members shall not be subject to the direction or control of any other person or authority.'

Hon. D A Feetham: Mr Speaker, just in relation to the last part of the Hon. Minister's answer, that relates to the questions about representations provided by victims and their families to the Parole Board on the parole process and whether in fact representations have been sought in all these cases and whether representations have been given.

I understand that the Parole Board is an independent body and its main function is to advise the Minister, or one of its functions is to advise the Minister on the release of prisoners. The Minister has no desire and indeed no one is suggesting that this particular Minister or any Minister would place pressure on the Parole Board to act in a particular way, but does he not think that it is important as Minister for Justice to monitor the workings of the Prison Act and indeed to monitor how far and to what extent are victims and their families asked to provide their views so far as that is commensurate with the Act? That is not interference. If I were the Minister for Justice, those are the types of questions that I would ask, to inform myself as to whether the system is working well or the system is not working well and needs reform. To that extent, therefore, it is not interference.

Does he not agree with me that if it is possible and indeed appropriate for him to inform himself in that way, therefore he has a duty to inform the Parliament when somebody in Parliament asks the question?

Hon. N F Costa: Mr Speaker, the hon. Gentleman should know that I do keep a watchful and indeed a close eye in all areas that are my responsibility. However, the Parole Board is, by virtue of his Act, an independent Statutory Board. He says that keeping myself informed or seeking that the Parole Board take representations from the victim or the family is not interference, and I am not saying that it is interference but the Act which he brought to this House and which was enacted does not set the threshold so high. It says 'direction', and for me direction means that I am not even to tell the Parole Board 'I am directing you to seek representations.' Therefore, I take that duty as Minister, and also as Minister for Justice, very seriously, and because the wording is 'shall not be subject to the direction of' anybody, that would include myself and therefore I am not even going to get caught in the mere suggestion that I may have given a direction in breach of the relevant section, section 52, of the Prison Act.

Having said all of that, do I think that the Prison Act requires reform? I think that the hon. Gentleman knows, without getting into a debate we have had outside of the House, that the Law Commission is looking at the Prison Act and it is looking, in particular, as a first order of business, at the point at which a prisoner ought to be eligible for parole. So the hon. Gentleman knows, by way of answers I have given to the House and also by way of press release, that the Law Commission, apart from being comprised of eminent professionals in the field is also comprised of the learned stipendiary magistrates and of a Supreme Court justice.

So the question of parole is being looked at very carefully and thoughtfully by the Law Commission and in fact we are ready to make an announcement. I have not, for two reasons: the first being that we are tying down the language for the press notice, but also because I had these questions before the House and I thought it was only proper, given that I knew I would be answering them today, to wait with the announcement until I answered his questions today.

So, in short order, in answer to his question, the Law Commission – not just me on my own – which includes myself, is looking at the question of parole and is looking at the question of the factors that the Parole Board takes into account when deciding the question of parole.

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

I understand perfectly that under the Act the Minister cannot direct the Parole Board to do anything. The words in the particular section are essentially there in order to make it clear that the Minister does not direct the Parole Board to act in a particular way. That is understood and it is also understood – subject to criticism as to how long it has taken, but that is another matter altogether; I do not want to mix one thing with the other – that the Government is undertaking a review of parole legislation. But, you see, I have to come back. He knows that I have a lot of respect for him, and I think that out of all the Ministers there he is one of the most competent Ministers on the Government side – I say that without hesitation – but he is being evasive in the way that he is answering the question because he knows that I am focusing on a very specific issue, and that is the number of representations that have been made by victims or their families to the Parole Board – it is the number; no details, it is the number – and the number of cases in which the Parole Board has not sought representations.

I realise that there may be a difference of opinion in terms of interpretation, but one provision in the Schedule is quite clear that representations are sought. Look, I know that representations are sought on a particular aspect. I know because I have been sent letters myself. I know that representation is sought. What I am asking is whether the Government knows the numbers of times that the Parole Board has asked for representations of victims and their families and also the number where they have not sought, because that is tremendously important – from the Government's point of view and from the Law Commission's point of view in informing themselves as to whether the system is working well or is not working well, but it is also important for us here because we are tasked in a democracy with holding the Government to account. And as much as I do not actually like probing this particular Minister because I know that he is a Minister who on the whole does his job very well, that is our job. It is our job to hold the Government to account.

Again, I have to come back to this: does he know ...? At least can he answer this: does he know the numbers in terms of the number of times that victims or their families have been asked to provide representations and the number in terms of cases where they have not been asked to provide representation? He must know that; and if he knows, he has got, in my respectful view, an obligation, a duty, to provide that information across the floor of the House to us, the Opposition.

Hon. N F Costa: Mr Speaker, I know what the job of being a Member of the Opposition is; I was one for four years, so he does not need to tell me his job description. I understand it and I accept it: he is here to ask me questions and I am here to provide him with information.

But if I may take an analogy, when I was Minister for Commerce I was never asked questions about the Trade Licensing Authority because it is an independent board. I have never once sought to give them anything other than the resources they may require to do their job. This is even more important, insofar as the community needs to know that the Parole Board is totally independent and entirely free of any sort of direction from the Minister. The community needs to feel comfortable that that is the case; otherwise, he will say, as he has in press releases, that I could be lobbied. He may recall that he said that in a press release in 2017. So let's keep the politician out of the process.

I have to tell him, Mr Speaker, he did not have to say to me that the Law Commission is taking a little bit of time, it is taking a little bit longer, 'But', he says 'let's not get into that.' Well, Mr Speaker, he did introduce the Act himself, so he should have seen these issues at the time that he brought it into Parliament. It has to be said, given that he is going to criticise the Law Commission for not having done its work quicker, there was no discussion during the course of

the introduction of the Prison Act about the point at which a prisoner ought to be eligible for parole – it was not even debated, so it could not have been at the forefront of his mind as a question of policy.

I know that this is an issue for him which is not just political, which is the reason why I am answering him in the way that I am, which is not to get into a political fight. This is a delicate, sensitive issue that affects people directly and therefore we must treat it with the seriousness that it deserves.

The Law Commission has met, I think, four or five times. It has not been an easy job to decide, first of all, the point at which a prisoner ought to be eligible for parole, and that has required not just discussion among the Law Commission but also in respect of the evidence that it sought – and it sought evidence from the Parole Board, from the Probation Services and from Her Majesty's Prison.

So, yes, ordinarily I like to do things quicker, but on this occasion it has not been a quick thing because ultimately we are deciding on the constitutional right of a person to be deprived of their liberty, even someone who has committed a criminal offence for which he is serving a prison sentence. So this is not the usual run of the mill policy; this is serious stuff that has required legal input and questions of constitutional importance.

Therefore, I am not being evasive – I can assure him I am not being evasive – but if I am going to give strength and if I am going to mean what I say, that the Parole Board is independent, the hon. Gentleman knows, and I think I may have suggested this to him during the course of a telephone conversation, that because the Parole Board is an independent body, if he wants information from them he is perfectly able to write to them directly. I am not going to substitute the work of the Parole Board for myself. I need to be very clear what my role is as Justice Minister and what the role of the Parole Board is, and my role as Justice Minister is simply to accept the advice of the Parole Board. If I disagree, I send it back. If I still disagree, I send it to the Supreme Court.

To enter into any other discussion, for me, would be a breach of Standing Orders because we are going to start debating the fine points of the law, and as Mr Speaker will have noticed, I have stayed clear of quoting the section and saying why I disagree with his interpretation. So he can believe me when I tell him that I am not being evasive. It is simply that I did not think it was the role of the Minister to answer the question that he asked in respect of the number of victims that have given statements to the Parole Board, but I have answered the questions which I thought were appropriate for me.

Hon. D A Feetham: Mr Speaker, I have asked about the number of victims and their families who have been asked to provide representations to the Parole Board and the numbers that have provided. Now let me ask this question – it is the last question I am going to ask him. Does he know the number?

Hon. N F Costa: Mr Speaker, I know of the cases that have come before me.

Hon. D A Feetham: The question is: does he know the number of victims and families in all these cases that have been asked to provide their representations as part of the Parole Board?

Hon. N F Costa: Mr Speaker, he was Minister for Justice during a time, so he would have the numbers during his time. I know in respect of the cases that have come before me; that is all.

Hon. D A Feetham: Mr Speaker, indeed, but because I ceased to be Minister for Justice, unfortunately, in December 2011, he or his colleagues – because of course he cannot hermetically seal himself from his colleague to his left, Mr Licudi, who was Minister for Justice before him, and therefore it is the Government – he must, as a Government, have the figures post December 2011. Therefore, does he not agree with me – and this time it will be the last

question that I ask – that in the light of the fact that he knows the figure, does he not have the duty to provide me with that figure when I ask it as part of the democratic process in this Parliament?

720 **Hon. N F Costa:** Mr Speaker, I disagree with him because the Parole Board is a statutory, independent body and is perfectly able to speak for itself.

Q75/2019

**Benzodiazepine drugs –
Excess local supply**

Clerk: Question 75. The Hon Ms M D Hassan Nahon.

725 **Ms M D Hassan Nahon:** Has Government been made aware of the excess supply of benzodiazepines locally; and if so, is there a reason why such excessive amounts raised alarm bells by suppliers?

Clerk: Answer, the Hon. the Minister for Health, Care and Justice.

730 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, yes, the GHA has been advised of an excess supply by a manufacturer.

Benzodiazepines are sedatives recommended for short-term treatment only because they can quickly become addictive. They are used in anxiety disorders, such as managing panic attacks, insomnia, as well as for muscle spasms as in back pain, and for alcohol withdrawal. It has
735 been recognised for some time that it is generally inappropriate to use these drugs – for example, Xanax and Valium – beyond four weeks. Not only does the effect of the drug decrease and require higher doses for the same impact, but they create dependence. In older people they can lead to confusion and falls.

When the drug is stopped, users can experience severe withdrawal symptoms such as
740 insomnia, irritability, tension, panic attacks, tremor, sweating, poor concentration, nausea, palpitations, headaches, muscle aches and sometimes even seizures and psychotic reactions.

Withdrawal can be difficult, since the initial symptoms for which the drug was prescribed might return, made worse by the symptoms from the withdrawal itself. Some people are therefore reluctant to stop the drugs. For these reasons, withdrawal should be gradual and
745 guided by clinicians, who can help patients cope with any symptoms. A doctor with special expertise in this area has commenced a new service to address this, has been informed of the patients with the greatest level of addiction and is planning to reduce this in a managed way.

Mr Speaker, there do appear to be higher rates of use than is ideal for a community such as ours. The GHA has carried out an audit to examine the use of these drugs in Gibraltar with a
750 view to improving the effective use of these drugs and managing a process of withdrawal for those who have been using them for longer than is optimal. The GHA is also looking to see how big a problem this is in the private sector, though the ability to influence behaviour in this sector is limited.

The GHA regards this as an important health issue and is taking measures to address it. All
755 prescribers in the Primary Care Centre are also being informed individually of the patients who are on long-term benzodiazepines, so that they can take steps to reduce their dependence in a managed way.

Hon. Ms M D Hassan Nahon: Thank you for that detailed explanation.

760 Mr Speaker, is Government satisfied that these sales have been based on prescription-only and not over-the-counter supply?

Hon. N F Costa: Mr Speaker, there is nothing on the information that I have been provided with to indicate that. The question does catch me a little bit ... I am surprised by question, so I do
765 not have that information, but there is nothing to indicate that that is the case.

Hon. Ms M D Hassan Nahon: Mr Speaker, I ask because there has been a large dependency on this drug over decades in Gibraltar, and I ask the Minister again whether there will be some sort of policies or guidelines in order to wean patients off the dependency. Has this plan already
770 been set in motion? Are people already reaping the benefits of these guidelines or policies as a result of your new substance and misuse GP?

Hon. N F Costa: Mr Speaker, the hon. Lady may recall that last year we announced the start of Dr Chimene Taylor, who is a GP with a special interest in alcohol and drug addiction. She has
775 carried out the audit on behalf of the GHA and we have been able to identify quite clearly the patients who should be managed carefully to relieve themselves from dependence on these particular drugs. As I have said to her during the course of my answer, this doctor has been tasked with managing those care plans. All prescribers in the Primary Care Centre have been informed individually of the patients who are long term on these drugs. All the GPs know which
780 patients are on these drugs, so they can take the steps necessary to reduce the dependence in a managed way.

In short, yes there has been a full audit, yes steps are already being taken, and it should assuage the hon. Lady's concern the fact that we have a special interest GP on addiction who is managing the process.

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Mr Speaker: Next question.

Hon. E J Reyes: Mr Speaker, would you be so generous? **(Mr Speaker: Yes.)**

May we refer back to the schedule given in answer to Question 65, which was the previous
790 answer the Minister gave us? The question had asked for the sentence given to the convicted person and the time served. The time served column is given in days, but when it comes to the actual sentence, instead of days it is given in years, months, weeks and days.

If I give one example, if we take prisoner 42, it is giving 72 days – six weeks. Surely anything after 30 or 31 days, or 28 days for February, should have become a month. The same in six
795 weeks – surely that have become ... I am confused in coming to a calculation of the actual sentence given because anything over seven days surely should become an extra week, and 72 days does not make sense if you are also going to have it in weeks and then you are going to have it in months – and 21 months is one point something years.

Perhaps the Minister would like to get it reviewed and set it right for the record, because the
800 actual time served is given in days but the sentence given could just be taken as how the court handed it out. But I have not ever heard of a judge saying 'I sentence you to 21 months, six weeks and 72 days.' It does not make sense.

Hon. N F Costa: Mr Speaker, the hon. Gentleman is absolutely correct. I will have to go back
805 and check those dates.

In respect of his first question, about the time served, the days, the reason why it is given as days and not as years is because the Prison have a particular way of calculating to make sure they do not miss the eligible date, but I will certainly get back to him in respect of those days. Thank you.

Q76/2019

H M Prison –

Number of prisoners having drugs counselling in 2018

810 **Clerk:** Question 76. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: How many prisoners have had drugs counselling in prison in 2018?

815 **Clerk:** Answer, the Hon. the Minister for Health, Care and Justice.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, during 2018 a total of 72 inmates received drugs counselling in prison.

820 **Hon. Ms M D Hassan Nahon:** Mr Speaker, is there a dedicated drugs counsellor in the Prison with the right knowledge and expertise to deal with prisoners simply with drug issues?

Hon. N F Costa: Sorry, Mr Speaker, I was having trouble locating the supplementary information.

825 The information that I have been provided is that there are two counsellors that currently provide drugs counselling to inmates.

I am afraid that is the only information that I have. If she has any questions in respect of the qualifications of those two particular counsellors, she can either write to me and I will provide it to her, or she can ask me at the next session of Parliament.

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Hon. Ms M D Hassan Nahon: Mr Speaker, I ask because unfortunately I get a lot of reports of people who have been in prison, ex-addicts, and they report that there is no dedicated drugs counsellor, that there is nothing like group therapy, lectures, disease and addiction workshops, and of course when they come out with what they feel has been zero support they are less

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ready to face society and be productive and upstanding citizens of society.
So I ask the Minister, if he has no more detail – I appreciate that perhaps this question may have caught him off guard – if he could allocate priority to the agenda of drug services in prison, because of course it has a massive domino effect on people when they come out, and from my dealings with many prisoners who come out they are deeply unsatisfied and feeling very lost about their treatment in terms of drug therapy addiction whilst they have been inside.

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Hon. N F Costa: Well, Mr Speaker, just to say that I do not think it is fair to say that they have zero support. The fact is that you have had 72 inmates during the course of last year who have received drugs counselling in prison and the information that has been provided to me sets out that these inmates have received counselling exclusively in relation to drugs and dependency

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issues. So we already have 72 inmates who have received that counselling support. In addition to that, there is also the work done on the 12 Step Programme, so I do not think it would be fair to characterise the support given at zero.
Like always in any service provided by Government, I am sure that we could improve on the service currently provided, but I think it would be somewhat disrespectful to the two counsellors

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who are providing the service currently to say that they have no support whatsoever.
As I have told the hon. Lady, I would be happy to look into this matter further.

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

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Firstly, I would like to say I mean no disrespect whatsoever to the two counsellors, but drug addiction is a very specific disease and therefore perhaps the two counsellors themselves who are there, who are not specialised drugs counsellors, may be feeling disrespected themselves

because they are not getting the support – so it is nothing to do with disrespecting them. The issue is whether there are dedicated drugs counsellors, whereas maybe these other two

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counsellors are dealing with a myriad of many other issues going on in prison.
If I can just ask: when the Minister talks about the 12 Step process, what actually happens if that is the case, that they are receiving the 12 Step process? Can I ask if there is follow up on that process, once they have had the closure and they have come out of prison, in order for them obviously not to relapse? Is there a follow up after they have come out?

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Hon. N F Costa: Mr Speaker, I am afraid the hon. Lady cannot get away with characterising the counselling as zero support and then saying that she meant no disrespect. If there is zero support, then that means that the 72 inmates who received drugs counselling did not have any support. It can be only one thing or the other, but I do not want to dwell on that.

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As I have explained to the hon. Lady, one of the counsellors receives referrals solely in respect of prisoners with drugs and other dependency issues. In addition, as I have explained to her, there is work that is conducted of course on the 12 Step work with prisoners and there is also a comprehensive programme entitled 'Cycle of Change', which also relates to drug and alcohol addiction. So there are, from the information that I have, three stages. There is the individual counselling, there is also the 12 Step Programme and there is also the Cycle of Change strategy.

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Mr Speaker, I will remind the hon. Lady that the Government hired a GP with special interest in drug addiction and alcohol dependency and she is also involved in assisting Her Majesty's Prison in respect of drug counselling.

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I hear what she says in respect of more being able to be done. I think I know the source from which she says that and I have already told her that I am happy to look at what else can be done, but what I am telling her is that we cannot characterise it as zero support. What I am telling her is that perhaps more can be done but not that there is zero support of inmates who wish to discuss drug dependencies.

Standing Order 7(1) suspended to proceed with Government motions

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

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

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

GOVERNMENT MOTIONS

Declaration of Climate Emergency – Debate commenced

Clerk: Government motions. 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 the motion standing in my name, which reads as follows:

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This House notes that:

'Climate Emergency' is an internationally recognised declaration being used by Parliaments, Councils and Local Authorities, predominantly in the UK, Canada, Australia and the USA, to publicly declare concern over the Intergovernmental Panel on Climate Change (IPCC) findings which recognise the adverse global impact of the changing climate. The declaration also serves as a commitment to take urgent action and aspire towards carbon neutrality.

It is a call to action that engages the entire community and is not just about the practical actions that a Government might take.

Humans have already caused irreversible climate change, the impacts of which are being felt around the world.

Global temperatures have already increased by 1 ° Celsius from pre-industrial levels.

Atmospheric CO₂ levels are above 400 parts per million (ppm), and far exceed the 350 ppm deemed to be a safe level for humanity.

In order to reduce the chance of runaway Global Warming and limit the effects of Climate Breakdown, it is imperative that we as a species reduce our CO₂eq (carbon equivalent) emissions from their current 6.5 tonnes per person per year to less than 2 tonnes as soon as possible.

Individuals cannot be expected to make this reduction on their own. Society, and Governments, needs to respond, to make low carbon living easier and make it the new norm.

The Government has already shown foresight and leadership when it comes to addressing the issue of Climate Breakdown, including by the replacement of diesel power generation by the less polluting LNG and by being further committed to increasing the use of renewable sources of energy, to at least 20% by 2020.

Society, and young people in particular around the world are asking governments to act on Climate Change.

Recognises that such initiatives need to be urgently stepped up, and further notes that:

The world is on track to overshoot the Paris Agreement's 1.5°C limit before 2050. The IPCC's Special Report on Global Warming of 1.5°C, describes the enormous harm that a 2°C rise is likely to cause compared to a 1.5°C rise, and told us that limiting Global Warming to 1.5°C may still be possible with ambitious action from national and subnational authorities, civil society, the private sector, indigenous peoples and local communities.

Governments around the world are responding by declaring a 'Climate Emergency' and committing resources to address this emergency.

And further recognising that:

It is important for the residents of Gibraltar that we commit to carbon neutrality as quickly as possible.

This House therefore believes that:

All governments (national, regional and local) have a duty to limit the negative impacts of Climate Breakdown;

The consequences of global temperature rising above 1.5°C are so severe that preventing this from happening must be humanity's main priority;

Bold climate action can deliver economic benefits in terms of new jobs, economic savings and market opportunities (as well as improved well-being for people worldwide).

And therefore resolves to:

- 1. Declare a Climate Emergency;*
- 2. Pledge to make Gibraltar carbon neutral by 2030;*
- 3. Pledge to reduce emissions by 50% by 2035;*
- 4. Work with other governments in the UK family, including the devolved administrations, the UK Overseas Territories and the Crown Dependencies to determine and implement best practice methods to limit Global Warming to less than 1.5°C;*
- 5. Work with partners across Gibraltar and in the region to deliver this new goal through all relevant strategies and plans;*

– and I have a minor amendment here, Mr Speaker –

6. Report to Parliament by the end of 2019 with a climate emergency action plan which will include carbon reduction plan.

Mr Speaker, the Earth's climate has never stood still. There are cycles and there are events in the millennial history of any planet with consequences to the climate upon it. We all know about the receding ice sheets and glaciers, rises in sea level that threaten communities and coastal regions around the world, from documentaries and increasingly from the news channels, so I do not intend to go through that again, but until the last 200 years all these changes have been due to natural processes and not to the activity of just one species: ours. Our impact upon the face of the Earth is now undeniable. The debate is clearly over. It was over a long time ago, but somehow it persisted until quite recently. When this Government brought Vice-President Al Gore to Gibraltar in 2012 there was a campaign even in Gibraltar to question climate reality, while what we were doing was trying to get Gibraltar to catch up with this reality.

Mr Speaker, let us just look at some facts: carbon dioxide in the atmosphere is up from 357 parts per million in 1993 to over 400 parts per million, the highest since records began; average temperatures worldwide were 1° higher in 2018 than the average in the 1900s; in 2018, 62 million people were affected by climate events and 35 million people were made homeless by floods and in Europe, Japan and the United States, 1,200 people died through heatwaves and fires, many unseasonal; in Gibraltar, severe weather events are becoming more common, with severe storms occurring at least once every year for the past 10 years.

According to a United Nations report this week, the activities that lead to climate change, like deforestation for timber or the food industry, and their effects – like flooding, temperature rise, habitat loss and desynchronising of nature, especially of migrant species – risk the extinction of a million species with which we currently share the planet.

To drill a little deeper into this, between May and July 2018 a 5 million square kilometre area was affected by extra-hot days. That, Mr Speaker, is 22% of populated and agricultural areas in the northern hemisphere. According to research presented recently at the Earth Geosciences Union Conference in Vienna, the extent of the area affected is such that it could not have occurred without man-induced climate change.

In all, extreme weather cost the global economy over \$500 billion in damages in 2017 and 2018. Wall Street and other financial centres are now measuring up the risk of extreme weather to assets. Maybe that is the language that former climate change sceptics need to understand.

For too long the concerns about climate change have been heard in the relatively close circles of scientists and environmentalists, with the rest of the world, including the business communities and organisations, keeping conveniently silent. But this has changed. Just recently, the UK's largest money manager, Legal and General Investment Management (LGIM), have themselves acknowledged that the world is facing a climate catastrophe and that businesses around the world must urgently address it. They say that if they remain ignorant to this crisis they face shareholders refusing to back them anymore. A new report published by LGIM has revealed that they have voted against a record number of companies in 2018 and a factor for this was climate change. The banks said that climate change was an ongoing priority and that this is increasingly factored into capital allocation decisions. As part of its climate impact pledge in 2018 LGIM announced that it will not hold eight large global companies in the future world funds. Where such companies are seen to take insufficient actions on climate risks, LGIM will also vote against the chairs of their boards across the entire equity holdings. This follows the British-Dutch corporation Shell scrapping their membership of US trade group American Fuel and Petrochemical Manufacturers (AFPM) over climate change policies. AFPM and Shell do not align on a number of issues, including the Paris Agreement and carbon prices. And other companies, such as Coca-Cola and Unilever, who have also contributed significantly to the

climate crisis are finding that they have no choice but to change through pressure from both consumers and investors.

945 Mr Speaker, the impact of climate change has compelled governments and corporations to act. Catalysed by the Paris Agreement, governments around the world are putting policies in place to limit the global rise in temperatures to 2° and preferably as close to 1.5° as possible. The actions undertaken by individual countries must deliver a collective transition to a low-carbon economy. To achieve this, carbon emissions have to decline by 45% from 2010 levels over the next decade in order to reach a net zero by 2050. This requires a massive reallocation of capital.
950 It is clear now that those companies and industries that fail to adjust to this new world will fail.

Mark Carney, Governor of the Bank of England, recently warned of the climate change threat to the financial system. He said:

The prime responsibility for climate policy will continue to sit with governments. And the private sector will determine the success of the adjustment. But as financial policymakers and prudential supervisors, we cannot ignore the obvious risks before our eyes.

Mr Speaker, business is finally taking heed. It is late, it should not have taken so long, but this is a world whose economy is not governed by those who are in contact with nature or by those
955 who understand the real priorities of humanity's survival. The stakes are high, but if a climate-driven Minsky Moment is to be avoided, the financial sector must act.

Many have run out of patience and this is being expressed in the streets. Young people are walking out of schools to strike for climate around the world, including Gibraltar. Hundreds of people were arrested recently during protests organised by Extinction Rebellion, a group
960 demanding that the UK set legally binding targets to reduce carbon emissions to net zero by 2025. The UK's current position is to cut carbon emissions by 80% by 2050, although this will almost certainly be reviewed downwards. This motion commits to carbon neutrality by 2030.

As the Intergovernmental Panel on Climate Change made clear last year, limiting warming to the safer level of 1.5° requires the world to hit net zero carbon emissions by about 2050, so we
965 have to aim for better if we have a chance of achieving it. European countries including France, Sweden, Norway and Portugal, as well as nations elsewhere such as Costa Rica, the Marshall Islands and New Zealand, all have plans to hit the target, some by 2050, some earlier. The Swedish Climate Act came into force last year, demanding net zero emissions through an 85% reduction in domestic greenhouse gas by 2045. The remaining 15% will need to come from other
970 options, probably planting trees, removing carbon from the air, or carbon offsets, with a Swedish government commission examining the options.

Government is following all these lines as it develops its strategy, which is committed to report by the end of the year to this Parliament. Before then, I intend to bring a Bill for a Climate Change Act to this House, which will set targets and reporting obligations, as I have mentioned
975 previously here.

Mr Speaker, we have a real chance in Gibraltar to achieve carbon neutrality. Already we have reduced emissions from power generation by 21% since 2013. LNG, which produces approximately 25% less carbon than diesel, will produce a further drop. We are committed to tackling emissions from traffic and shipping and we do not have methane-producing farming to
980 deal with, often one of the greatest obstacles to carbon neutrality. Commitments by Government include those mentioned by the Chief Minister in last year's Budget speech of having no vehicles fully fuelled, other than hybrids, to be registered by 2030 and only electric vehicles by 2035. We are planting more trees, replacing any that are removed to ensure always a net gain in greenery and will be further encouraging green roofs and green walls.

985 Progress on renewables in Gibraltar has been slow but will shortly move much faster. We continue to look at developing sea-current technology and nature-friendly wind generation as options, but even with the expected increase in solar power I am confident that the aim of 20% in 2020 remains achievable.

We have made tremendous progress over the past few years in achieving green efficiency in business. This is now a standard condition in all planning and most new buildings are achieving energy-efficiency ratings close to level A. It is no longer such a struggle to convince developers and contractors about the measures needed to achieve sustainable buildings, but sustainable construction systems also need to feature. I am pleased to say that my discussions with the developers of Victoria Quays have been extremely positive and we are aiming for a carbon-neutral development at the very least. This is the way we need to go if we are going to see further development.

Mr Speaker the world does not have all the answers yet, but technology is moving. Many of the key tools are untested at large scales, in particular capturing and storing carbon emitted from power stations and industrial processes and ways of directly removing CO₂ from the atmosphere. Without ways to actively capture carbon dioxide, effectively creating negative emissions to balance out the positive ones, it will be impossible to achieve global net zero, but Gibraltar will have an eye on developing technologies and grab them as soon as they become available and viable.

Mr Speaker, declaring a climate emergency must be more than just words. Not enough has been done globally or in Gibraltar, and the declaration – which I hope will pass unanimously in this House today – will be a call to all of us here and in the rest of our community to not stand in the way of doing what has to be done.

The ESG, in response to both the school strike and the publication of the text of this motion, issued what was a useful summary of what they see as the challenges to overcome. There will of course be a formal and direct reply both to the school strike petition to the Chief Minister and the statement. In the representations there is a call for a public debate, which is of course already happening. It includes this debate, it includes the recent World Earth Day Conference, it includes GBC *Viewpoints* and much more. In Gibraltar, up to the end of 2011 there had been no significant public debate. The public debate started with the Al Gore visit – questioned, as I have said, by some, but so important in retrospect to make an impact and drive the point home. But I know that the ESG agree with me when I say that public debate is not enough. They point to the regional situation: how so much of the economy of the bay depends on fossil fuels. That is why the motion commits to showing regional leadership and leadership elsewhere in the UK family, including the Overseas Territories. And Gibraltar is being listened to: a tweet by UN Oceans Ambassador and friend of Gibraltar, Lewis Pugh, on this motion gained nearly 3,000 retweets and likes in just a few days.

Gibraltar, like most other countries, still relies on fossil fuels. We need to continue to work on reducing this dependence. The move from diesel to gas is one step in this transition, a hugely important step and we must keep on.

Some measures are easier than others. For example, our water desalination plants have recently had major replacements to equipment which will increase their efficiency tremendously with a significant drop in their use of power and hence of carbon emission from producing our drinking water. But bunkering and sale of fuel to vehicles is still important economically. If we are to make an effective transition we must work with industry to reduce reliance on fossil fuels. Greater use of LNG as a fuel, both in shipping and in vehicles, would be another important step. The use of hybrid cars as a step to fully electric vehicles and the rolling out of charging points also need to be part of the strategy. We must continue our search to find electric buses that will suit our heritage and our topography. In this, the STTPP plays and will continue to play a full part. Moving into the green economy and making Gibraltar a world leader in carbon trading using blockchain technology and riding on the strength of our digital legislation can play a tremendous part in an economic transition that would fuel our energy transition too.

Mr Speaker, this declaration must be seen as a recognition by the Parliament, as representative of the people, of the crisis facing the Earth. It is a call to environmental arms. We need to question how we do things. We need to change potential decisions that may be tempting economically in the short term to those that make long-term sustainable sense. All of

us here and all of us out there need to do this – and not just to be eating less meat and switching off lights, but that too. Those of us who make and influence policy in public and private sectors need to think carefully each and every time and to do next time something different from what we would have done the last time.

1045 The world is in the midst of a climate emergency and I call on this House to recognise this and to commit to making a difference. I commend this motion to the House. (*Banging on desks*)

Mr Speaker: I now propose a question in the terms of the motion moved by the Hon. the Minister for the Environment, Energy, Climate Change and Education.

1050 The Hon. Lawrence Llamas.

Hon. L F Llamas: Mr Speaker, it is absolutely right that this House joins with parliaments, political bodies and organisations around the world and in Gibraltar in declaring a climate emergency, for there is no doubt that our climate is changing, that global temperatures are rising and that this, with the accompanying rise of sea levels, will have a severe impact on the future of mankind.

1055 We must make every effort to try to repair and reverse the evident effects of climate change. The overall targets set out in this motion, challenging though they are, must be seen as a minimum objective over the coming years. If elected into government the GSD would pursue those targets, in opposition we will support Government in achieving those targets, but let's be bold and brave in developing and publishing details of how those targets can actually be achieved.

1060 The Government claimed to have foresight and leadership on climate breakdown by switching from diesel to LNG, and although as a fuel LNG will enhance local air quality it does nothing with regard to a global climate change crisis being declared around the world. We have urged the Government to review this line within the motion to allow Her Majesty's Official Opposition to support the motion, but sadly the Government has refused and, by consequence, failed this House in seeking unanimity on such an important issue. Consequently, we shall be abstaining from the motion, (**A Member:** Oh!) given we agree with the rest of the motion.

1070 Carbon dioxide is undoubtedly the greater contributor to the insulating effect currently taking place in our atmosphere, and controlling emissions is vital. We are reminded in the motion of the Government's foresight with respect to power generation and the upcoming switch to LNG, but this is not a credible achievement when it comes to global warming, and the Government compounds its flawed reasoning by suggesting that LNG is the future. LNG is methane. Between 1.5% and 3% of the methane produced escapes into the atmosphere in the production and transportation process. By increasing the demand for methane we are party to encouraging the increase of its production. Methane is estimated to contribute about 28% of the global warming gases in the atmosphere, primarily because it is so potent as a greenhouse gas, about 80 times more potent than carbon dioxide over a 10-year period. We cannot ignore this fact and should certainly not congratulate ourselves or pretend that it is foresight that this industry be encouraged in the context of this motion.

1075 There has been little progress in the increasing amount of power we generate from renewable sources. We keep getting told of objectives, but these do not materialise. In 2016, when the Minister was asked what proportion of Gibraltar's energy was produced from renewable sources, he answered 0.05%. Three years down the line and that figure remains almost static. Let's develop and publish a roadmap that can be unanimously agreed with short, medium and long-term initiatives committing this House long term. We need a plan, as declarations by themselves are worthless.

1080 To have foresight and leadership would have been to have achieved a radically alternative non-fossil-dependent form of energy and recycling. This Government has pledged not to raise electricity in order to prove a political point. I criticised that during my Budget speech this year. The time has come for political parties to disregard votes and commit to policies which will

prove unpopular. There is no time to wait to the end of the year to implement policies which can be introduced today. Let's action a staggered removal of the subsidy of the electricity in this Budget and invest that revenue in a ring-fenced climate breakdown Budget.

Let's amend legislation in a more punitive manner to those, particularly corporates, involved in the ship repair yard and bunkering, and raise revenues for a climate Budget too.

Let's do away with the free parking at Midtown and focus on greener methods of transport. Let's bring back the cash initiative for hybrids, which was reduced from £1,000 to £250.

Let's introduce construction levies which will give back to the community, especially at the height of construction we are seeing today. Let's introduce subsidies for renewable energy initiatives in private properties.

Let's have greater communication between local organisations to share resources.

Let's increase the price of diesel. As for carbon dioxide, what are we doing? Diesel is still incredibly cheap at our pumps. Vehicle ownership has risen under this Government and incentives to buy greener vehicles are ineffective, probably because they are insufficient.

Let's not talk about leadership and foresight. Let's not congratulate ourselves. Let's take a long, hard look at where we are, what we have to do, work together and do it. Let's achieve those targets that are established in this motion in a carefully planned and effective way. Above all, let's have the courage to admit we have failed thus far and we must do better because our planet, our culture and our futures depend on it. *(Banging on desks)*

Mr Speaker: The Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, I had not originally intended to speak in this debate. However, in order to inform myself better about the climate emergency, I did attend the World Earth Day at the University last week, as the Minister will know, and I also attended the ESG event last night.

It is a matter of deep regret that we in the Official Opposition are not in a position to support the motion because of the way in which it has been drafted – and the Minister knows this. The Minister knows that if the politically biased language had been removed, we on this side of the House would have had no problem supporting it unanimously – and he does not have to shake his head, because he knows that.

In terms of the action plan that this House is committing itself to, I have already pointed out to the Minister that point 6 is senseless. This House is resolving to come back to itself to report, but how are we going to come back to report to us? What is the mechanism? If the Minister was serious, what he would have in point 6 is that this House resolves to either set up or appoint a commission, or perhaps to set up a select committee to take evidence and then report back to this House. *(Banging on desk)* But this House cannot just have a line that says 'come back to Parliament by the end of 2019 with an emergency plan'. It does not make sense and I would like the Minister to explain to his House how this House is going to report back to itself. Or is it that it should say that *he* will come back to this place with a plan? In which case, I would welcome that clarification. As it stands, I do not see that anybody is going to report to anybody, so I would welcome him clarifying that.

Mr Speaker, in terms of the Climate Change Act, which the UK has had since 2008, we are obviously a bit slow off the mark. I will welcome the draft Bill when it arrives in this place and of course the debate that follows, but I would invite the Minister to engage with Members on this side of the House so that we can also have input into that Bill and this House could perhaps then arrive at a position which is unanimous.

Having attended the World Earth Day, one thing that struck me was the frustration of environmental activists, who claim that they have heard it all before. They have heard it all before from parliaments like this and other parliaments elsewhere, that yes we think it is terrible, yes we think there is a climate emergency, yes we are going to pass motions – but

nothing actually happens. And he shakes his head again, but he knows – he was there. We need to do something that is practical and is seen to be practical.

One thing that I took away from the ESG meeting last night was that they felt that we in Parliament should be working together on a cross-party basis. We should. (**Hon. Ms M D Hassan Nahon:** Work together.) We should be all together, one big party representing Gibraltar as a whole. What we cannot do is fall into a trap, whether intentionally or unintentionally, of making party political points just because they are there for the taking. (*Interjection*) I have already told the Minister, and he knows this, that if he had removed that particular paragraph we would have had no problem supporting the motion, but he did not. He knows that.

Mr Speaker, the ESG last night, do not care whether we agree or not. They want us, as a Parliament, to work together. How on earth are we going to do this if we cannot even agree on a simple motion? (**Hon. Miss S J Sacramento:** You can't.) Yes, but we need to be able to. (**Hon. Miss S J Sacramento and another Member:** Right.) We need a mechanism in which we can come together and agree on a way forward. What we cannot have are one-sided motions which that side will pass because they have an inbuilt majority anyway. Even if we on this side of the House all drop dead, you still pass your motion; it makes no difference whatsoever. But if we really want to make a difference in this community we have to work together to come up with practical solutions.

I would suggest, Mr Speaker, that if they were genuine in their intention they would invite the House to set up a select committee in order to report back to this House as to what is the best way to achieve these targets. The invitation is there on the table. We on this side of the House are not adverse to that, but hey, if they want to take the credit for everything, so be it. But I say this now: it is not for want or lack of trying from this side of the House. The environmentalists who are watching this today – not that they had much advance notice that it was going to be taken today – will be shaking their heads at us and saying, 'Can't you guys get your act together?' I say it again: it is not for want of trying from this side of the House. I invite the Minister to think seriously about setting up a select committee. It does not have to be in this motion; he can set something up in another one.

In terms of what my hon. Friend said about putting his money where his mouth is, he needs to consider whether he needs a budget for whatever matters he thinks we need to change, because invariably there will be a cost. That cost, I think, has to be thought about to come up with whatever realistic measures we think in this place are necessary to achieve the ends which I think we all agree are necessary. What the Minister cannot do is come to this House with a motion singing his own praises when he is trying to declare a climate emergency. That would simply not do.

And so, Mr Speaker, I regret again that we on this side of the House cannot give it the unanimous support we would like to, and the blame for that lies fairly and squarely with the Government. (*Banging on desks*)

Hon. Ms M D Hassan Nahon: Mr Speaker –

Mr Speaker: The Hon. Marlene Hassan Nahon – (*Interjection*) Previously I was waiting to see whether a Member from the Government bench was going to contribute. I did not detect that anyone was going to do so and that is why I called on the Hon. Roy Clinton, but if an hon. Member of Government wishes to speak now, they can do so. There should not be a problem.

The Hon. Mr Paul Balban.

Minister for Infrastructure and Planning (Hon. P J Balban): Thank you, Mr Speaker.

The motion being brought before Parliament today is one of critical importance to us as a species. Although this may sound alarming and more in keeping with science fiction, this is our present day reality. This is our challenge, but we are faring very badly indeed as a generation,

1195 even though it is arguably our generation that has contributed mostly to the state of our global environment.

Mr Speaker, the term 'emergency' has very serious connotations indeed. The word conjures images of disaster, of people running desperately to save lives. Most of us cannot see those things that are deemed to be so critical in our daily lives, and that makes it so much harder to be concerned. Yet we are bombarded by constant images in the media of the effects of plastics in our ocean now making their way into our very cells, or the effects of global warming, of climate change, the catastrophic effects of weather and the statistics of the effects of the environment to our health.

1205 Personally, the most powerful images that drove the points home and really put things into perspective were those of divers swimming amidst the sea of plastic and that of female turtles turning back into the ocean unable to lay their eggs in the sand on an uninhabited island in the Seychelles, their paths blocked by plastic and other debris washed up on the shore.

Mr Speaker, climate emergency is an internationally recognised declaration and very urgent action is required if we are to divert disaster. But is there the will? Unfortunately, it seems not. A Sky data poll revealed that the majority of Britons are unwilling to significantly reduce the amount they drive, fly and eat meat in order to combat climate change; 56% of Britons surveyed would not be willing to drive significantly less to tackle climate change.

1215 'But surely this is not something of our making, individuals cannot be held responsible for the actions of industrialised nations and we as individuals surely cannot make much of a change to the global environment. Even the whole community, our Gibraltar, is merely one drop in the ocean.' Mr Speaker, this could not be further from the truth.

I ask Members here today: when was the last time you caught the free bus service? Do you walk your children to school? Do you walk to work? Do you ask for a plastic bag when you shop for groceries?

1220 But exactly why do we not walk? 'There are too many hills. I'm late for work. It's too hot. It's too cold. It's raining. It's ... It's ... It's ...' How far do you drive to get to work? How desperately do we need to use our cars to drive our children those 500m to school and then sit patiently in that traffic jam, longer when it rains, wondering and perhaps even asking ourselves who exactly is to blame for this traffic jam?

1225 We know that Gibraltar has one of the highest vehicle ownership rates in the world. Our cars are almost etched into our genetic makeup. But worse than vehicle ownership is vehicle use itself. How many of us own two or more cars per household? Own two motorbikes? How many of us drive ourselves alone to work? Our dependence on the car will never change unless we are prepared to make change happen.

1230 I must admit that I am not a strong believer in the electric car unless it comes hand in hand with a reduction of vehicles on our roads. Sure, changing a fossil-fuel powered car for an electric vehicle has very positive effects, it is a great start, but I believe that we will still own two or more cars and two motorbikes when we inevitably go fully electric in the future and we will still sit in that same traffic jam at Rosia Road – granted, almost emission free, but still wondering what exactly has really changed.

1235 We all have a part to play. Every little bit counts because each and every drop that falls into an ocean makes a ripple and that ripple can potentially reach and inspire many others in its path.

Will we have to look to our children to fix this mess? Will it fall on their shoulders? What legacy are we leaving them? Children and teenagers are a massive force for change. They teach us, they inspire us and children are respected. After all, it is the teenage Swedish activist Greta Sundberg whose recent ripples have been causing waves, and awareness is growing as this momentum grows.

1240 Mr Speaker, the STTPP provides us with a very powerful platform, a document that sets Government policy allowing us to make inroads to actively encourage the community to adopt more sustainable modes of transport – easier said than done and about as unpopular as removing a toddler's dummy just when they are ready to fall asleep. After all, the STTPP goes

deep within the fabric of society at large and human nature does not adapt easily to change at first. But we cannot underestimate what each of us can do in our own right and what a contribution to the environment can be, no matter how small but over time.

1250 The STTPP is nothing more than an environmental plan, a plan that sets aims and targets for the reduction of emissions to help improve air quality by tackling traffic and transport issues. It addresses car usage, encouraging the use of public transport, the bicycle by improving cycling infrastructure, and improving pedestrian routes. It is a slow process, frustratingly slow at times, but progress is already visible. A great deal of work is being done in this respect.

1255 The STTPP has, for the first time, made us delve into areas considered far too risky and politically fraught with danger. The STTPP is an easy target. Push too hard for common good, for our health and for that of our children, for the sustainability of our planet, and the effect could be palpable on polling day. It is far easier to criticise and point fingers than step off the veranda to see exactly what it is all about on the ground. If there is one thing that should bring
1260 Parliament together, surely it must be the environment. This should be not so much about differences of opinion and more about the alignment of environmental views so that the work being done can be built upon by others, no matter who sits on this side. The work being carried out today needs to be built upon not for any benefit other than for the good of the environment.

1265 Mr Speaker, I believe that we have seen improvements in the way we travel in Gibraltar – buses are fuller, more people are cycling, more people are walking – but we have a very long way to go. Initiatives need to be urgently stepped up if we are to try to prevent global warming and its catastrophic results.

I commend this motion to the House. (*Banging on desks*)

1270

Mr Speaker: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, I welcome the call for a climate emergency. A state of emergency is called when a disaster has occurred or is imminent, and standard constitutional
1275 procedures are suspended to address the issue with immediate effect. All resources available to the government are directed to the problem area in order to restore a sense of normality, and this is done with the utmost urgency. In terms of climate change specifically, it relates to our environment and that of the planet as a whole. A state of emergency should not be declared lightly, as it brings with it a responsibility to respond emphatically and with great urgency. I
1280 believe that in this particular instance a state of emergency is indeed pertinent, but I question the Government's ability to respond appropriately. There appears to be a chronic disconnect between the pros and the plot.

Mr Speaker, as with all complex problems, the devil is in the detail and in quantifying the deliverables. Parliament and the community need to know what the Government will be doing,
1285 how it will be achieving its goals and by when. Deferring any talk of action until the end of the year when proposals will be put to Parliament does not represent a state of emergency.

So, how has Government begun to quantify our own contribution, Mr Speaker? The motion proposes to reduce our carbon footprint per person from 6.5 tonnes per person to 2 tonnes per person per annum. As the Hon. Minister for the Environment knows full well, this figure does
1290 not include our bunkering industry, nor air travel. We cannot afford to selectively exclude the largest contributor to our carbon footprint in our footprint-reduction efforts. The need for an honest and open approach is paramount to tackle this constructively, and while we need to remain realistic we need to know where we are and where we want to be.

Further, the shift of emphasis from diesel to LNG for our power generation was a good move
1295 for our environment but one that can only be used as a temporary measure, as LNG is still a fossil fuel and therefore still a contributor to global warming. I strongly believe that the new power plant, which has taken eight years to be delivered and is still not fully operational despite

its mid-2017 target, should be used as a flexible complement to a mix of renewable sources of energy.

1300 Gibraltar, due to its size, unique circumstances and ability to be flexible, should be looking to attract top scientists and green-energy technologists and companies to roll out a mix of leading-edge technologies to best suit our purpose. Gibraltar could be used as a test case where cutting-edge technologies can be trialled and, if successful, rolled out across the globe.

1305 The National Renewable Energy Action Plan for Gibraltar produced in February 2015 detailed the commitment the Government of Gibraltar made to the EU in return for funding received. One area tackles our commitment to 'green' the transport sector. Despite repeated assurances, there is still a severe lack of infrastructure rolled out across Gibraltar. It is no surprise that, even with the reduction of import duties, our car dealerships have not seen any noticeable increase in demand for electric vehicles. Our public transport remains woefully short in its offering as a
1310 viable alternative to personal vehicle usage. Buses remain one of our biggest polluters, emitting a high level of PM2.5s, which are being linked with respiratory illnesses as well as strokes, coronary disease and other such diseases.

Another area shows our previous commitment under Gibraltar's Renewable Energy Action Plan to develop a minimum of 15% of renewable-sourced energy by 2020 using a mix of
1315 technologies. We are now on the verge of this deadline and Government have yet to demonstrate any tangible progress in this regard. The Government had projected that this year, 2019, we would be generating 13% of our energy through renewable sources. In reality, we generate less than 1%. The targets set were based on an output of 53 GW of energy. Our present and future demands will outstrip this power requirement by 2020, rendering our targets even
1320 harder to meet as a percentage of the whole. The climate emergency motion has moved to raise our renewable target now from 15% to 20% and, as I said, we are still to register any significant achievement in this area.

In a recent interview the Hon. Minister for the Environment declared that less than 1% of our energy production locally is sourced from renewables. In other words, the Government has
1325 comprehensively failed to deliver on this over two whole terms. What credibility can be assigned to Government's renewed vigour, which has been influenced by the recent local student strike for climate action? Gretta Sundberg's continuous calls to action are beginning to get through to the older generations and to those in a position of power and influence. Her quotes are direct and poignant:

You only talk about moving forward with the same bad ideas that got us into this mess, even when the only sensible thing to do is pull the emergency brake. You are not mature enough to tell it like it is, even that burden that you leave to us children. For way too long, the politicians and the people in power have gotten away with not doing anything to fight the climate crisis, but we will make sure that they will not get away with it any longer. We are striking because we have done our homework and they have not.

1330 Public statements made by Ministers, such as 'Government has already shown leadership in this field' and talk of inspiring our community, are pure bluster and merely paying lip service to the single most important issue of our time. When we talk about a climate emergency and in the same week we learn about a humungous new reclamation project which will last 10 years and will be bringing us pollution of all sorts, it is difficult to take this inspiration seriously. When, on
1335 the one hand, trees are rightfully treated as sacred but on the other hand pulled apart and thrown to one side in order to accommodate yet another building site, it is almost impossible to believe anything that we hear from Government on climate emergency.

The unfortunate reality is that the GSLP/Liberals have abjectly failed to transpose knowledge and enthusiasm into action and policy across the board, so far. Of course Gibraltar alone is not
1340 going to solve today's crisis, but we need to play our part. I strongly urge Government to bring forward its date for presenting its report to Parliament and to act seriously and responsibly in its response to the global climate crisis. Only then can we really expect to abide by a parliamentary motion or any other action plan.

And further, Mr Speaker, a cross-party approach is a must, as party politics should play no part in our climatic responsibilities. We do need to work together on the climate change agenda. There are three parties contesting the next elections and it is election year, so in theory all parties will be more willing to learn and listen than ever and promise goodies. The real issue is that the environment is a problem much bigger than any political party and the solutions need to be concerted and agreed long term, 10 and 20 years, not just with four-year pledges that are not met. It is absolutely necessary to come with a solution together. That means reaching a consensus, even if it is minimum consensus, so that whoever governs next is responsible to carry out green pledges agreed by all, no matter what, with an emergency climate budget. People need to know, especially the younger generations after the climate change march, that we are really going to do something about this.

If this is an emergency – and it is – then it requires emergency measures, and working together is how that is achieved. Anything less than that is not good enough, Mr Speaker. It is time to put arrogance to one side, eat some humble pie and work together for the future of our children, whose future we are taking away with our hollow words and inaction.

Gibraltar needs to act now and this is why, despite my reservations about how and when the deliverables on this motion will materialise, I will support the motion, given that we must all stand together to support any incentive, whether poorly or well researched and planned, that targets environmental change for the better.

Thank you, Mr Speaker.

Mr Speaker: Is there any other contributor to the debate? The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, this is an important debate in the history of this House because it is the House joining an international recognition of the level of negligence that humanity has visited upon the planet and the way in which we have failed to preserve the most precious inheritance that we have, which is our environment – in other words, the place in which we are able to survive. I think we sometimes fail to appreciate how fragile the environment in which we are so able to survive is. Sometimes, trying to understand why life does not prosper on other planets in the solar system or indeed in our galaxy, we realise that there are some planets which are close to being able to sustain life but because of a few degrees of heat or cold are unable to do so. Well, that is the level of fragility of the environment of planet Earth that we are trying to put under the microscope today, which the whole world is slowly starting to realise we all need to have an eye on and which there are still some who deny there is an issue with.

It is absolutely right that John Cortes should be the person leading this debate on this motion because he has a proud track record of having been raising these issues long before he ever donned the mantle of Minister or even thought of allowing me to persuade him to go into politics.

It is also true that we can say a lot of dramatic things – as Members opposite, if I may say so for a moment, have done – and those very dramatic things cannot lead to meaningful action, because the sort of meaningful action that would follow from some of their statements is not meaningful action that anyone is prepared to see endured.

The hon. Lady says this is an election year and in amongst the goodies that we put up we should be putting up goodies in respect of the environment and what the environmental groups want. This is not about goodies; this is about sacrifices. In other words, we can do our bit very quickly and we can say for 12 hours we will not produce electricity – whether we produce it from LNG or we produce it from diesel, for 12 hours we will cut by half our emissions of heat – but nobody would be prepared to consider that at this stage in the game. We have to be careful that we do not over-hyperbolise what it is that we are going to do and that what we do in the service of the planet and future generations is to now seriously look at how we can take the action that we need to take in a proportionate way in an economy that operates like an island environment.

In other words, we cannot be expected to be the ones who do the most in this area. Indeed, when you look at what it is that the developing countries have said to the developed world, there is a legitimacy there too. A nation that has been burning diesel for 20 years cannot be expected to bear the brunt of the reversal of global warming in the same way, surely, as a nation
1400 that has been burning diesel for 120 years and has had the benefit of industrialisation and development.

So, there is a balance to be done. If we are being serious about things, there is a balance to be done in order to get this right so that the young people who came to protest to us are able to enjoy the benefits of a planet that they can inherit ready to be able to continue to enjoy it and to
1405 redress even further the effects of climate change without having to suffer not having electricity at any time during the period of 24 hours.

So, the balance has to be got right and getting that balance right is to be serious about delivering in a proportionate and proper way. It was therefore absolutely right that we did not continue with the diesel-burning new power station in the area of the Upper Rock Nature
1410 Reserve that we inherited at the time when we were first elected. We took a lot of flak for that. We and hon. Members had a very strong general election debate about the subject and on this the hon. Lady will allow me to remind her, as I will all of them, that all of them stood on the manifesto commitment to stop LNG and to go back to the diesel-burning power station. That debate has passed and it is gone. We won the election, we won the debate: we are
1415 implementing LNG.

LNG, as the hon. Member has said – and we are under no misapprehension about it – is not perfect, it is continuing to burn fossil fuel and it continues to create heat, but it is better than burning diesel, which also creates other emissions and creates different problems. So, Mr Speaker, their option was worse than our option, although our option is not perfect.

This is not an attempt to win a political point, because we won that political point – we won it three and a half years ago – and therefore it would be wrong not to reflect that reality in this motion. It would be wrong not to reflect that this island economy that is not able to move immediately to renewables is doing the right thing by taking a step in the right direction, and in that I think the hon. Lady is right: the LNG plant has to be part of what she phrased a flexible
1420 complement of energy-producing resources, including renewable energy resources. And that is absolutely what it is.

I know that Dr Cortes has been working very hard indeed on the issue of other renewables. In terms of bringing to Gibraltar things that can be used here as a test, the hon. Lady knows that we also encouraged and supported the Israeli experiment on tidal energy, which is exactly the sort of thing I think she is referring to, although we have been also criticised for that. So, we really cannot win with Members opposite, but it is absolutely right to have done that.

If you look at where we are, therefore, Mr Speaker, what we have been able to do under the leadership of John Cortes in respect of this particular area is to start putting in place the building blocks for this community, as a society, to still be able to provide for itself the energy requirements it needs, whilst at the same time ensuring that it does so, insofar as possible, in a way that does not cause greater damage to the environment – and indeed, where possible, reverses that.

Hon. Members also insisted I was wrong when I changed the official vehicle of the Chief Minister of Gibraltar from a Jaguar to a Tesla. Well, we have done the exercise before of how much diesel or petrol the Jaguar burned and the emissions from it, compared to the Tesla. The Tesla is also not perfect because you have got to dispose of the battery, you have got to charge it, and if you are not using solar or renewable sources of energy into the grid then you are still just burning something else in order to charge it. Of course it is not perfect, but it is a step in the right direction.

The Hon. Mr Llamas says, ‘You’re not doing enough to promote the use of electric vehicles.’ Well, demonstrating that the electric vehicle is reliable and can be used in an official capacity by the political leader of a nation is a step in the right direction. There are now more Tesla vehicles
1445

in Gibraltar because people are seeing the Tesla function. Are there enough? No, there are not – of course there are not, Mr Speaker – but the reason why we have reduced the benefits payable in respect of hybrids versus the benefits payable in respect of electrics is because there are many more hybrids now in Gibraltar. When we introduced the measure, as part of the renewal of the Government fleet – for which we were also roundly criticised – we introduced also the hybrids into our fleet. We demonstrated that the hybrids were reliable and we gave a return for people who bought hybrids. Now, so many hybrids are bought in Gibraltar that the evidence tells us it is more important to now give less for a hybrid, a lot of cars now are hybrid vehicles and it is more important to up the amount that you give for a fully electric vehicle, which is what we did. That is exactly what I said in my Budget last year.

Last year, in 2018, in consultation with John Cortes, we prohibited the registration of vehicles with purely internal combustion engines from 2030. We were roundly criticised for that as well by them, but in the United Kingdom and in other countries the debate was to do it by 2030, not by the later dates that were being proposed. That date is now being brought forward there to the date that we implemented last year, 2030. That was 12 years away when I announced it. It is now 11 years away. Soon it will be a decade away, and then we will be into single figures. Vehicles are an important part of how we create global warming, and dealing with vehicles and making people see now with enough time to know how much their vehicles may be worth in future was exactly the right step to take.

The Hon. Mr Llamas says let's do things which are unpopular if we have to do things which are unpopular. We agree. I was roundly the subject of placards which were negative about me at the checkout at Morrisons when we introduced the measure on plastics, but we saw it through because we are not the sort of politicians, on this side of the House, who say that we should do things and then, at the first sight of a whistle or a placard, decide to do the opposite. We know that what we are doing is the right thing and we see it through. And there will be more measures to come, despite the fact that we have been roundly criticised when we have done things which are unpopular.

It would be good to have support from Members opposite when we do things which are unpopular but which are the right thing to do, because then we would be acting as a Parliament together. And if they say to us, 'Look, in the run of play we realise nobody is right all the time' – I am not right all the time, I never pretend to be; I know that every day when I get up I will do things wrong and my wife will point them all out to me, rightly so – I accept that, but they must not pretend that they are always right and we are the ones who are always wrong. So, if they say, 'We were wrong about the diesel power station in the Upper Rock Nature Reserve,' then we will be taking a step in the right direction to start to be able to do things together. But they are not collegiate on the subject, Mr Speaker, and if they want us to be collegiate on the subject, I extend the hand of friendship to them on this: let us start to be collegiate and demonstrate that by saying, as we say, 'LNG, not perfect; LNG, not the solution, but a step on the road; but diesel, worse,' which they have yet to recognise.

The Hon. Mr Llamas says the public, young people in particular, and the environmental groups – or Mr Clinton I think said it – say they have heard it all before but nothing happens. Well, yes, of course they have heard it all before. They have heard it all before from the GSD and nothing happens. We have heard about the programmes they were going to implement, all of the environmentally friendly things they were going to do – and we saw nothing done.

Mr Speaker, you may say of this Government, 'You haven't done enough,' and do you know what: if hon. Members opposite and members of the public said to us we have not done enough, they would find themselves in violent agreement with us because we can never do enough, we want always to do more. We are accused of wanting to do too much and hon. Members opposite oscillate between telling us that we should stop doing so much because it is costing too much and we will not be able to do it and telling us that we have not done enough – usually in the same breath and in the same debate. You do it in the same breath and in the same

debate. It is absolutely true, and this is not just politicians: every single one of us is letting down this planet. Every single one of us is failing to do enough.

My children are better advocates for the planet and for the future than I have ever been. I am proud of that. I am sure it is true of all their children also. To a great extent, those were the educational policies promoted by Mr Licudi and by Mr Cortes, both in education and in the environment, from the moment we were elected – and if it had started to happen before, even better. I know that my kids have a planetary conscience, an environmental conscience that I was not brought up to have, and I am hugely proud of that. At home, they are the recycling conscious of the family. If I may, Mr Speaker, call out – I am not going to be able to pronounce it – the Nautilus project for the fantastic work they have done in all the schools as well to make children aware and conscious of how plastics affect beaches, which is the environment that children enjoy. An excellent job. That is how we create people who do not see a great sacrifice in avoiding plastic. They see it as an obligation and the right thing to do, collecting plastic and then making sure that we recycle plastic.

Yes, a lot has been said in the past and very little has been done. A lot is now being done. We were very clear from the moment we were elected that this is what we were about. We have done less than we would have wanted to do, some of it was done not as quickly as we would have wanted to do it, but I think we have taken steps in the right direction.

If hon. Members want to join us taking giant steps towards the future, then we must always try and do this together – absolutely – but they have to do it from a position of political honesty, because if they do not then they will not be legitimate partners of ours. I have done what I think is a ‘mea culpa’ too. I have said we have not done enough and we have not done it quickly enough, in the way that I have said it, but they are still the party that says that their power station would have been a better option. They need to join us in the context of understanding this emergency by coming off that approach and joining us in understanding that here, whoever is not a sinner should be the one to throw the first lump of coal.

Mr Speaker, in that context I invite hon. Members opposite to reconsider – and I do not mean the hon. Lady here – the idea that they are going to abstain on this. If something is, in principle, important enough that you declare an emergency, then if you do not like the wording of some part of it, well, take a different view.

Hon. D A Feetham: We can propose an amendment, or rather a suggestion.

Hon. Chief Minister: You can do it, if you like. Propose an amendment, if you like, which may or may not succeed, but take that approach – do not take the approach that you are just going to abstain.

I would put it to hon. Members in this way. We are in an election year, as the hon. Lady reminded us. There may be weeks or months left before a general election. We are going to argue about everything until the cows come home. This should not be the thing that we are arguing.

The Hon. Mr Feetham and I have a much friendlier relationship now than when we were the two bulls that had to go out against each other at the last election. It is normal. When we are all older, I hope that we will reminisce on the days when we were in Parliament and look back on what we did, and no doubt when we are older think that we did a much better job than those who are there now. When we do that, Mr Speaker, and we are downstairs in the other Parliament, hopefully still having coffee and enjoying each other’s company – and perhaps I might be introduced to a totally new experience of being pleased to see some of them – we will look back on this motion, and if they abstained and did not vote in favour of it I think they will be very disappointed in themselves.

In the run of play, this debate might be more important than some of the other debates that we have had. Some of the debates that are more important now and more politically relevant, and some of the things that heat our blood pressure up the most today may turn out to be but

blips compared to this debate and what it is that we are concluding here. So, if there is a route to their supporting this which respects the fact that this Government has taken policy positions which it is going to defend, that this Government has taken policy decisions which we think are right and which we think they must now recognise, especially in the context of this subject, then they must take that route, they must pursue that objective and they must vote with us in respect of the subject of this motion because it is too important for them not to do so.

Mr Clinton, therefore, should not have got up and said, 'We're going to abstain because we cannot support this.' I think that was the wrong approach to take. I am getting used to it. Mr Clinton in the next few weeks is going to lead his party to once again not supporting the Appropriation Bill in this House and voting against it, so at once they are going to be supporting those who make claims for more moneys from the public purse and the other once they are going to be voting against that money being available. I am not surprised, but I offer even him an olive branch on this issue because I know that the environment has not oft been flavour of the month with financiers and bankers. But there is a value to doing this, Mr Speaker, beyond pounds, shillings and pence. There is a value to doing this beyond this moment, beyond the lifetime of this Parliament and in a way where, when we look back, recognising the work we have done, giving us due credit for it, they will have wanted to be supportive of it.

Mr Speaker, it is important to recognise that when you go into politics you do it because there is a higher calling than just achieving political office. If there is one man of whom that is true in particular in this Parliament, it is John Cortes. It was difficult to prise him away from his Botanic Garden, it is difficult sometimes to make him realise that he is a Minister in the Government and not a gardener in the Botanic Garden, and that is to his enduring credit because we have to make difficult decisions in Government. That is, of course, the case for all governments. He makes us take even more difficult decisions and he makes the difficult decisions sometimes even harder – and we want him to do that and we want him to continue to do that because this calling for him, in my view, is really just to achieve the sort of purpose that we are debating in this House. I want to recognise the contribution he has made in the past seven and a half years – and, I hope, for longer – in respect of turning the tanker that was the Gibraltar economy in the direction it was taking in the context of the environment and ensuring that we started to take those steps which I have identified to right the damage we were doing, to try and do less damage, to try and contain that damage, not to pretend that we can shoulder all the burden for the world but to achieve what we have achieved to date and what is to be achieved in coming weeks and months, which I know he is going to take great pleasure in announcing.

So, Mr Speaker, in that context I want to signify, as Leader of the House and as leader of the political parties represented on this side of the House, our full support for the initiatives that we have taken under the leadership of John Cortes and our full support for his leadership in bringing this climate change emergency motion to the House, and in particular the work that he does with young people, the way that he engages with young people, especially those young people whose environmental conscience has been really making itself heard, not just in Gibraltar but around the world, which I look forward to continuing to see, hear and feel in the context of this debate as we go forward.

Mr Speaker: The Hon. Mr Daniel Feetham.

Hon. D A Feetham: Mr Speaker, I will keep my contribution short because enough has been said by Members of Parliament and indeed it is not difficult for me to associate myself with the vast majority of what has been said on this side of the House and on the other side of the House.

I will attempt to bridge the gap between the Government and the Opposition in a moment, but I will say this: that the honourable the Chief Minister is absolutely right when he says that this is not about general elections, it is not about the fact that this is a general election year, it is not about the fact that we are offering goodies to the ESG or anybody, or any other NGO, or

anything of the sort. This is about survival: survival of the planet, survival of mankind on the planet. That is what this is about and if we do not change the way that we go about our lives – not just as political parties and the policies that we may have, but our lives – then I fear the worst for humanity and for the planet that we live on. That is the reason why, for example, we can all talk about global warming and reducing greenhouse emissions and this, that and the other, but there is no point in talking about this and there is no point in voting for a motion like this and then taking the family out to an Argentinian grill on a Friday evening. It is about changing our lifestyle. That is what it is about. That is why, for example, in my own home – if I can be permitted to make the point – we do not eat red meat: not only because we do not like the way that animals are slaughtered but also because animal agriculture contributes between 13% and 19% to global warming. If we are not capable of really changing the way that we lead our lives, then unfortunately there is going to be a continued deterioration in these issues and unfortunately in the planet and everything else that everybody else has mentioned.

Mr Speaker, I promised that I would keep my contribution short. That is what I wanted to say, but I want to try and attempt to bridge the gap between the Government and the Opposition by proposing this wording. The offending paragraph, if I may read it – the paragraph that separates the Government and the Opposition, for anybody reading the debate – is this:

The Government has already shown foresight and leadership when it comes to addressing the issue of Climate Breakdown, including by the replacement of diesel power generation by the less polluting LNG and by being further committed to increasing the use of renewable sources of energy, to at least 20% by 2020.

What I propose is this, an amendment to read in these terms:

The Government believes it has already shown foresight and leadership when it comes to addressing the issue of Climate Breakdown, including by the replacement of diesel power generation by the less polluting LNG, and while there are differences between the Government and the Opposition on these issues, both are further committed to increasing the use of renewable sources of energy, to at least 20% by 2020.

That is the amendment that I am proposing and I would urge that we show unity in relation to this so that we can all vote in favour of this motion. I think they are small amendments, I believe them to be reasonable and I believe that it offers the basis for us.

We will put it in writing, but if the Government tells me really there is no prospect of that amendment succeeding, then I will put not it in writing. But if the Government says – I will give way, of course.

Hon. Chief Minister: Mr Speaker, I am grateful for the hon. Gentleman giving way.

The Government is not saying no. We want to see it in writing because we think it may be possible for us to agree it.

The first amendment is an easy one because it is just one word, from what I detected. It says 'believes', which I might come back to him and suggest might be 'considers' but I might accept 'believes'. I think 'considers' is probably a better motion word than 'believes', but we are not going to fall out over that.

I did not quite catch the second bit and I do not know that the –

Hon. D A Feetham: After 'by the less polluting LNG,' it says 'and while there are differences between the Government and the Opposition on these issues, both are further committed' –

Hon. Ms M D Hassan Nahon: I am a third party. So, there's more than two parties involved.

Hon. D A Feetham: No, but I am proposing an amendment – *(Interjection)*

Hon. Chief Minister: We are debating the amendment before we have seen it, but if 'opposition' is with a little 'o' then it would include the hon. Lady – instead of a big 'O', which would be the Official Opposition.

The hon. Gentleman will just allow me to reflect, as the Hon. Dr Cortes was saying to me, that that does not recognise – and I think this is the point I was making to him earlier – that LNG is better than diesel. We do not need to have that debate, do we? LNG is better than diesel – they do accept that, don't they? – and therefore I would like to see the amendment in writing so that we can consider that.

I might invite the hon. Gentleman, therefore, if he wants, to prepare the new paragraph in writing so that we can consider that, and that we might just recess for 10 minutes – it is almost six o'clock on a Friday afternoon.

Hon. D A Feetham: Yes. Can I just mention, in relation to the question, that the debate between LNG and diesel ... It depends on what question you ask in relation to that. No, hang on a minute please. It is not as one-dimensional – and, you see, now we are getting into controversy but it is not as one-dimensional as is being suggested, nor was the debate three years ago, or four years ago, as one-dimensional as we are suggesting. It is a much more complicated debate.

What we are asking for is the opportunity to just simply take that out of the motion rather than effectively forcing us into a position which we feel uncomfortable with, and quite frankly should have no place in a motion where we are attempting to find a common ground and a way in which we can, as a Parliament, say – *(Interjection)* Sorry, he was shaking his head and I thought that he was saying no to me. I beg your pardon.

Hon. Dr J E Cortes: Mr Speaker, I thank the Hon. Member for giving way.

Mr Speaker: I am going to call a recess.

Hon. Dr J E Cortes: I was going to suggest that, Mr Speaker. Thank you.

Mr Speaker: So that we can come to an agreement on an amendment and also give me an opportunity to replenish the chairs. The House will recess for 20 minutes.

The House recessed at 6.42 p.m. and resumed its sitting at 7.02 p.m.

**Declaration of Climate Emergency –
Debate concluded –
Amended motion carried unanimously**

Mr Speaker: The Hon. Daniel Feetham.

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

It appears that the entire House has reached terms in relation to an amendment. It stands in my name.

I beg to move the following amendment to the motion standing in the name of the Minister for the Environment, Energy and Climate Change:

1. That paragraph 7 be deleted and replaced by the following new paragraph 7:

'The Government considers it has already shown foresight and leadership when it comes to addressing the issue of climate breakdown, including by the replacement of diesel power generation by the less polluting LNG, and while there are differences between the Government and the opposition on these issues, the whole House is further committed to increasing the use of renewable sources of energy to at least 20% by 2020.'

2. At point 6 replace 'report' with 'that the Minister reports'.

Mr Speaker, there is, I have noticed, an amendment to take into account the hon. Lady: 'opposition' with a small 'o' instead of 'Opposition' with a capital 'O'. (**Hon. Ms M D Hassan Nahon:** Very elegant) I hope that takes the hon. Lady's position into account. Mr Speaker, that is the amendment.

Mr Speaker: Unless anybody wants to add anything – Chief Minister? – I will put it to the vote.

Chief Minister (Hon. F R Picardo): Mr Speaker, obviously just on the amendment, I welcome the fact that the hon. Gentleman has pursued the course I propose, because being able to pass this now in a way that is not going to require a division and that is going to enable us to see the whole House united I think is a positive thing. In particular, I am pleased that we are going to be able to have no differentiation at all between the different political groupings in the House and that the hon. Lady is going to be included in the wording that we are going to be able to all come around.

I think the second part of the amendment does actually improve the mechanism for the reporting-back process, so the Government is going to be happy to accept that.

In the context of this issue and in the context of this debate, the fact that we have been able to come to terms and that hon. Members have accepted the olive branch that I tendered I think in future will be seen as an important moment. I really do think that – in the history of the relationship the hon. Gentleman and I have had in particular – to be able to move to agreement on the issue of a motion that mentions LNG is indeed a red letter day compared to where we were the last time we debated the subject.

Mr Speaker: I now put the question, which is the amendment moved by the Hon. Daniel Feetham. Those in favour? (**Members:** Aye.) Those against? Carried.

What now stands before the House is the motion as amended. Does any other person wish to contribute to the debate? If not, I call on the mover to reply. The Hon. Dr John Cortes.

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Thank you very much, Mr Speaker.

I am grateful to the Members opposite for their eventual positive response to the motion. It is very welcome. I must say that I am actually quite chuffed at the way that some have been converted to the environmental cause over the last few years. (**Two Members:** Hear, hear.) If I have done nothing else – I have achieved that, although I must say that there must have been a crowd on the road to Damascus at some stage!

I am particularly grateful, of course, to the Chief Minister for his kind words about me personally. I must say that hearing the words, referring to me, that on environment I have hollow words and inaction still hurts somewhat and I am glad to say that politics has not completely hardened me.

I think that the outcome of the debate has been positive, but obviously I do have to answer, briefly, some of the points that the hon. Members opposite made.

One of the criticisms that have been made here – and I think the hon. Lady mentioned it – is that we have heard it all before. It is true, Mr Speaker, we have heard a lot of this before, but

never to this depth in this House and I think that this debate is hugely significant. We are the second country to – hopefully, when we take it to the vote – declare a climate emergency. We were only just beaten to it by the UK Parliament two days ago. He was probably reading my Twitter feed – Mr Corbyn – but I think that was a motion from the opposition and not a government motion, so I think there is a significant difference there. So I think it is more than just words and it is not the same words that we have heard before.

I am so pleased that we have had this debate. This debate would not have been possible with the political configuration of this House back in 2011, or rather before 9th December 2011. I think it is a huge achievement and that we must all accept that and that we have all moved on since then. In those days, renewable energy and energy efficiency were not even in the vocabulary, and the Government of the time, I must say – and I experienced it, and that is partly why I am here today – was, in fact, in environmental denial. Not one solar panel. We were even told that it was impossible to plug in solar power to the grid.

I have to thank in particular the hon. Lady for her largely positive contribution, although I do believe that some of the points were a tad less than fair, but I would like to reassure her that action will not wait to the end of the year and steps will be taken and are being taken, about which I will report shortly.

Clearly I believe that we need this declaration, because we can now use it. Those of us who believe in the need for climate action can refer to this motion and it strengthens us in working with other sectors of the community in taking these principles forward. One of the purposes of this declaration is to allow us to impress the importance of this on our community.

I assure the hon. Lady that the Government is in regular contact with experts on other renewable sources of energy, including marine and wind energy. I believe very soon there will be people here ... Unfortunately, marine current technology is not as advanced as we would like it to be, but we will be there to take them on board as soon as this is possible. I think that, overall, the hon. Lady's contribution was positive and helpful.

In relation to delays, I think it is true that for a considerable amount of time we were working very closely with a European Union source of funds that sadly Brexit put paid to, and that did cause a significant delay in us rolling our programme forward.

In relation to the students, yes, I think they are an inspiration to all of us, but I must say that I no longer feel as lonely as I used to feel when I was that age and I was almost a voice in the wilderness.

In relation to another point that the hon. Lady raised, the point of reclamation, as I said in my speech, we are aiming at a carbon-neutral and possibly a carbon-negative development there, and the developers are very excited in making this an example.

Mr Speaker, if I may refer, then, to the contribution by Mr Clinton, he felt that he and others may have wanted advance notice of the motion. I did mention it to him last Friday that I was hoping to take it today. But it should come as no surprise: if this is a climate emergency that we are declaring, we are going to take it at the first possible opportunity. The first possible opportunity is today. The motion was published for all to see and it should come as no surprise that it came today.

I was going to comment that I did not feel that the language that had been used in relation to LNG was politically biased, but we have resolved that, so I am not going to go into that.

In relation to the Climate Change Act, the hon. Member is well aware of my willingness to discuss. He has experience of this on the Heritage and Antiquities Act, where we worked together, and he can expect that I am going to be receptive to comments, as can the rest of the Opposition.

Mr Speaker, if I may refer now to Mr Llamas's contribution: renewables, 0.05%; in 2011, 0.00000 recurring per cent – not even in the vocabulary. But I am going to surprise Mr Llamas. Only a couple of days ago I visited the first of our solar plants, which was producing, I think, 0.6 KW or 0.7 KW at the time. There will be a public presentation on it as early as next week. And

others are being rolled out, including the ones that my hon. Friend is placing on the rooftops of the new sports facilities and that already will be making a higher contribution.

1780 Mr Speaker, LNG is not ideal – the Chief Minister confirmed that that is the view on this side of the House and it is clearly now the view of the whole House – but it is a necessary step in Gibraltar’s energy transition. It is clearly better than diesel. This is an energy transition. We cannot shut one thing down and expect renewables to take over immediately. So, it is a necessary, crucial and significant step and we have to bank that as progress and not deny that it is a positive development. Clearly, apart from the reduction in carbon, LNG does not produce as
1785 much sulphur dioxide or nitrogen oxides and virtually no particulate matter, and that is an air-quality issue – which is related but is not the issue being discussed today – so I think that that is something we have to recognise.

I think that Mr Llamas did, towards the end of his contribution, make a number of positive suggestions and I would be happy to discuss them with him and take them on board if we are
1790 not already taking action on those particular aspects.

I do think that our targets are realistic. If you add the 21% drop in power generation emissions from 2013 to last year to a possible 25% drop because we are using LNG, we are already getting quite close.

1795 Mr Speaker, I think, to sum up – and this is really my last contribution this evening – it is not about what has been done or what has not been done; this emergency is about what there is left to do – and whether we agree that enough has been done or not been done, we all know that there is a lot to do.

1800 Sir David Attenborough, who is once again leading the fight against all sorts of environmental catastrophes, said very recently we have 12 years to get this right. When you look into the future, it seems like a long time because it is 2031; but if you think back to 12 years ago, it was only 2007, and that is when one starts getting worried.

Clearly we have to change. We have to take action. Let’s do this, Mr Speaker, by unanimously supporting this motion, which I once again commend to the House. **(A Member: Hear, hear.)**
(Banging on desks)

1805

Mr Speaker: I now put the question, which is the motion moved by the Hon. Dr John Cortes. Those in favour? **(Members: Aye.)** Those against? Carried unanimously.

The Hon. the Chief Minister.

1810 **Hon. Chief Minister:** Mr Speaker, on that happy and concordant note I rise to seek to adjourn the House until next Thursday, 9th May at 3 p.m. in the afternoon.

1815 Mr Speaker, I would also give an indication to hon. Members – I know that they have had already the Estimates Book distributed by the Clerk – that I am considering the Budget debate occurring on Monday, 10th June. I say I am considering that date: it is the date that is in my diary at the moment, but because we have the issue that we have lurking in the background still, which is that Brexit could happen literally at any moment if there were an agreement between the Conservative government and the Labour opposition in the United Kingdom, it is possible that that may change. To share my thinking with hon. Members, this year we have the Island Games starting the second week of July. I know that we may have a lot going on in that period in
1820 June. Of course, there is also the UN session etc. So, the window that I am looking at is the window of 10th June, otherwise it would likely be much later. So, if hon. Members want to diarise that, then I think that would be of assistance to everyone.

1825 Finally, Mr Speaker, before I seek to adjourn, I am conscious of the fact that today is World Press Freedom Day and I should therefore, no doubt on behalf of the whole House, want to congratulate all journalists in Gibraltar and remind them that they enjoy around them a ring of steel of freedom to be able to write and say what they wish, when they wish in the discharge of their obligation to keep us all informed at all times in as free and fair a way as they wish.

Thank you, Mr Speaker. The House will now adjourn to next Thursday at 3 p.m.

1830 **Mr Speaker:** The House will now adjourn to next Thursday, 9th May, at three in the afternoon.

The House adjourned at 6.20 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.10 p.m. – 5.02 p.m.

Gibraltar, Thursday, 9th May 2019

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The Gibraltar Parliament

The Parliament met at 3.10 p.m.

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

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

Precincts of Parliament – Ruling by Mr Speaker

Clerk: Meeting of Parliament, Thursday, 9th May 2019.

Suspension of Standing Orders. The Hon. the Minister for Health, Care and Justice.

5 **Mr Speaker:** May I, before the Chief Minister moves the suspension of Standing Orders, Members will recall that at the meeting of 11th April I made reference to a ruling of Mr Speaker, Sir Robert Peliza, on the designation of the Precincts of the House. My reference to this ruling arose from the demonstration at the entrance to the lobby of Parliament, since I was concerned that access to the House was being impeded.

10 In 1993 Sir Robert Peliza designated the precincts of the House to include the lobby, the pavement on the western side of Main Street in front of the House, the whole area of the Piazza and the public highway on its three sides. He had issued this ruling as a result of a demonstration that had occurred just before the House met on 28th October 1993. Groups of people had carried out a demonstration and displayed placards within the lobby, during the course of which
15 Members, particularly the Chief Minister, were stopped and questioned in circumstances that could have led to obstruction. The Speaker was empowered under section 80 of the House of Assembly Ordinance to designate the Precincts of Parliament from time to time.

20 On reflection, it is my considered view that this designation is perhaps too extensive and unnecessary. Insofar as the western pavement is concerned, one also has to take note of the fact that two thirds of this area is currently taken up by commercial premises. What is important is that, as well as the lobby, the area directly in front of the three arches on the western pavement should be kept clear at all times.

25 The Clerk has recently held a series of meetings with the Royal Gibraltar Police and the Gibraltar Law Officers. As a result of these meetings, I have received written confirmation from the Commissioner of Police that there will be a police presence prior to and at the termination of every session of Parliament in the immediate area of the entrance to the lobby of Parliament to ensure the clear and unobstructed passage of the Speaker, Members and any staff members.

30 Given the assurances that I have now received regarding adequate policing, and as empowered by the Parliament Act, I am amending the ruling made by Sir Robert Peliza and I now rule that the Precincts of Parliament will include the lobby and the area directly in front of the three arches on the western pavement.

**Standing Order 7(1) suspended to proceed with laying of paper –
Papers laid**

Clerk: We now proceed with the suspension of Standing Orders. The Hon. the Minister for Health.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, I have the honour to lay on the table: the Annual Report of the Parole Board 2018, the Extradition Act 2018 – Codes of Practice, and the Command Paper on a draft Bill to make provision for surrogacy arrangements and parental orders.

Mr Speaker: Ordered to lie.

Order of the Day

REPORTS OF COMMITTEES

Mr Speaker: The Hon. the Chief Minister.

Clerk: (vii) Reports of Committees.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to lay on the table the Report of the Select Committee on Parliamentary Reform.

Mr Speaker: Ordered to lie.

Questions for Oral Answer

COMMERCE

Q45-46/2019

**Digital Transformation Programme –
Road map for e-government and digital services;
expected date for paperless public service**

Clerk: (viii) We now move to answers to Oral Questions and we commence with Question 45. The questioner is the Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, further to Question 481/2018, can the Government provide details in relation to the extensive procurement process carried out and the persons involved in taking the decision?

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

55 **Minister for Commerce (Hon. A J Isola):** Mr Speaker, I will answer this question together with Question 46/2019.

Clerk: Question 46. The Hon. L F Llamas.

60 **Hon. L F Llamas:** Mr Speaker, by when does the Government envisage having paperless departments in the public sector?

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

65 **Hon. A J Isola:** Mr Speaker, the major aspects of the Digital Transformation Programme underwent an extensive procurement process to ensure that the Government selected an appropriate ERP system to meet our needs. Various Government organisations were involved in the process, including: the Treasury; the Office of the Financial Secretary; the Human Resources Department (Civil Service and Public Service); the Gibraltar Health Authority; the Information, Technology and Logistics Department (ITLD); my Ministry; and other Government organisations and officials that formed part of the process on an ad hoc basis.

70 Some aspects of the project exceeded the EU threshold for public procurement, so the Government made use of EU framework contracts for some of the awards. Framework contracts allow contracting authorities to award individual contracts as long as they satisfy the conditions of the framework and achieve contractual compliance. These conditions are over and above any local requirement for public procurement. The EU framework that we used for this purpose is Health Trust Europe.

75 The procurement selection process involved a competitive tender between leading global providers. The process culminated with three preferred suppliers having been scrutinised and gradually reducing the tenderers by a second and third round of evaluation, eliminating providers at each stage and ending up with the final, preferred provider in accordance with the agreed process for determination of bids. The winning bid was finally approved by the Government Project Steering Committee, involving Ministerial and senior Government stakeholders.

80 E-government and the Digital Transformation Programme is introducing a working environment where current paper-driven procedures are replaced by digital and automated alternatives. Government is also progressing on the development of its Purchase to Pay software, which is currently operational in 17 Government organisations. The software has contributed to a diminished use of paper, specifically the use of paper requisition forms, local purchase orders and payment vouchers and the subsequent use of paper, including copies in triplicate, which currently forms part of the payment process for the Departments, including the Treasury, that still rely on manual processes.

85 We are making steady progress across all areas of the Digital Transformation Programme but it is too early to begin to estimate with any degree of accuracy by when we will have paperless departments in Government.

90 **Hon. L F Llamas:** Mr Speaker, I thank the hon. Member for that answer. Could the Hon. Minister confirm whether senior management members of the ITLD department were part of that steering committee, please?

100 **Hon. A J Isola:** Mr Speaker, from memory I cannot recall if they were in the final steering committee that made the decision based on the advice they had received from all the different organisations I referred to, including ITLD, or were involved in the process. I cannot recall if they were actually on the final steering committee, which was: Head of Treasury, Financial Secretary ... in other words, the users as opposed to the operators.

105

Q47/2019
Government bodies –
Number of payroll systems in operation

Clerk: Question 47. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please advise and list how many distinct payroll systems are operated across the Government, Government Authorities, the Gibraltar Development Corporation and all directly or indirectly owned companies for which an annual payroll software licence is paid?

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

Minister for Commerce (Hon. A J Isola): Mr Speaker, the Government operates the following payroll systems – and in saying that, I have to clarify at the outset that it is in fact one payroll system but with a number of variations, so I am talking about four different configurations, not four different payroll systems, if that makes sense.

Government payroll: wages, salaries and pensions. This includes payroll preparation for the Authorities and Agencies not listed below.

GHA payroll: salaries. This includes Elderly Residential Services.

Education: supply teachers, SNLSAs, lecturers and invigilators.

Care Agency: supply staff, which is a monthly roll.

No annual software licence is paid for the above, as the Government is the owner of the source code.

The payroll application operates within a shared operating system with the Government Income Tax application. The combined maintenance cost is circa £131,000 per annum.

The majority of Government-owned companies use the Treasury salary system for the preparation of salaries. A small group of Government-owned companies rely on third parties such as PWC or GJBS to prepare the payroll systems.

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

In terms of the four payroll variations that he mentioned, would I be correct in saying – and I am happy, if I am wrong, for him to correct me – that there are in fact staff dedicated to producing, for example, the payroll for the GHA, a separate one for Education, a separate one for the Care Agency and a supplement for Government in general? Or is it that there is one centralised payroll function that then does that job for these different entities?

Hon. A J Isola: My understanding is that there are currently different people in each of those four areas working on payroll. Part of the e-government project will centralise that into one payroll system within HR, which is where we believe it should be parked to give us a far more efficient method of working.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer, and of course I wholeheartedly recommend that what he suggests is in fact undertaken because there are obvious efficiencies to be had.

Q48/2019
Financial Services Bill –
Extent of consultation with industry

Clerk: Question 48. The Hon. D A Feetham.

Hon. D A Feetham: Does the Minister consider that the financial services industry has been properly consulted on the Financial Services Bill before its intended implementation date on 29th March 2019?

This question has obviously been overtaken by events.

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

Minister for Commerce (Hon. A J Isola): It has indeed been overtaken by events, Mr Speaker, and as will be obvious to everyone, no is the simple answer. I imagine we would have engaged in a different discussion at the time, but my answer as recorded is: the Financial Services Bill will not be and has not been introduced before 29th March 2019. We have been consulting on this Bill with the Finance Centre Council, representing the financial services industry, since July 2017 and will continue to do so.

Hon. D A Feetham: Mr Speaker, my understanding is that originally the intention was to take certain aspects of the legislation that were linked to Brexit coupled with substantive reforms of the system in which the FSC operates, but the Government has now decided to decouple both and in the future is going to be proceeding with reform of the system not necessarily linked to what needs to happen in a Brexit situation.

Hon. A J Isola: Mr Speaker, what happened – which is where I imagine the information to the hon. Member led him to the question – was that in late January/February we were faced with a looming hard Brexit. With a lot of preparatory work having to be carried out in order to ensure that our transition from one system to the other with the UK passporting systems worked, it required an awful lot of work and consequently what we did was we issued an instruction to cease work on the new Financial Services Bill. I imagine that is the reference you made to decoupling. We ceased work on the LRP and we worked extensively on preparing ourselves for the hard Brexit by 29th March. Before that, the intention was to bring in the Financial Services Bill and then to do the Brexit work post that, but basically we ran out of time and we were not able to complete the new legislation with sufficient time to consult the industry properly on it before going ahead.

The position today is that the Brexit work is ready as and when that may need to be done, if it is needed at all, and the Financial Services Bill is working to its own final programme, which I hope to be very soon, and we are consulting on significant chunks of that with the Finance Centre Council, so by the time we publish the Bill – shortly – we will be in a position to have taken on board people's views before we take it further.

Mr Speaker: Next question.

HOUSING AND EQUALITY

Q77/2019

**Blue Wave House –
Works carried out since erection of scaffolding**

Clerk: We now move to Question 77 and the questioner is the Hon. T N Hammond.

Hon. T N Hammond: Have any works been carried out since the erection of scaffolding at
190 Blue Wave House in Mid Harbour estate?

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

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, the scaffolding
195 on the west side of Blue Wave House, Mid Harbour Estate, was erected in December 2018 to
carry out a survey to ascertain the condition of the facade. There now needs to be a second,
more intensive survey undertaken.

Mr Speaker: The Hon. Trevor Hammond.
200

Hon. T N Hammond: Presumably the outcome of the first survey indicated that there was
some flaw or fault in the system, which is presumably why a second survey needs to be carried
out. Five months, approximately, have passed since that first survey. Can the Minister assure
residents that the action is being taken as quickly as possible in order that the scaffolding does
205 not have to remain in place any longer than necessary?

Hon. Miss S J Sacramento: Mr Speaker, the issue of concern is that the scaffolding has to be
up at all in a building that was constructed merely 10 years ago. It is of great concern that the
survey needs to be undertaken in the first place, of greater concern that the result of that survey
210 is that we need a further one. It goes without saying that any works that need to be done and
any remedial works will be done as quickly as possible, but what is regrettable is that they need
to be done at all.

Hon. T N Hammond: Mr Speaker, inevitably that was along the lines of the response that was
215 expected. Of course, I will not refer to the likes of Montagu Gardens and other estates that had
similar issues, or may have or certainly had issues in which scaffolding had to be re-erected after
construction. I do not want to get into the politics of that. I just want to get assurances that,
because five months is a long time for two surveys to take place, presumably then if those
surveys require remedial works, are the residents going to be with the scaffolding in place for a
220 year, two years, five years? Does the Minister have any idea, in terms of forward planning, about
how long the residents may have to have the scaffolding in place?

Hon. Miss S J Sacramento: Well, Mr Speaker, given that some of the tenants affected by the
fault in the construction of this building have massive cracks in the walls, then clearly of course it
225 is our desire to remedy this as soon as possible. The hon. Gentleman can rest assured that we
will remedy the defective construction of this building built by them when in office.

Q78/2019
Malaya House –
Nature of works underway

Clerk: Question 78. The Hon. T N Hammond.

230

Hon. T N Hammond: Mr Speaker, what works are being carried out at Malaya House in Varyl Begg Estate, which I am pretty sure was not constructed by the GSD?

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

235

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, minor repairs are being carried out to a number of flats in this block.

Q79/2019
Housing medical list –
Number of applicants and room composition required

Clerk: Question 79. The Hon. L F Llamas.

240

Hon. L F Llamas: Mr Speaker, can the Government provide a schedule with the details for each applicant currently on the housing medical list, including the date each applicant was listed and the room composition required?

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

245

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, I apologise to the hon. Gentleman: I meant to have a copy of the schedule. I will circulate one in a moment, but I will read it out in the meantime.

250

Since 2013, there are two on the 1RKB list, one on the 2RKB, no one on the 3RKB or the 4RKB and one on the 5RKB.

For 2014, there are 12 on the 1RKB, nobody on the 2RKB, 3RKB or 4RKB and one on the 5RKB.

For 2015, five on the 1RKB, one on the 2RKB, none on the 3RKB and none on the 4RKB and the 5RKB.

255

There are eight on the 1RKB for 2016, two on the 2RKB, none on the 3RKB, two on the 4RKB and none on the 5RKB.

In 2017, there are 21 on the 1RKB, three on the 2RKB, two on the 3RKB, four on the 4RKB and none on the 5RKB.

For 2018, there are 28 on the 1RKB, 15 on the 2RKB, five on the 3RKB, one on the 4RKB and none on the 5RKB.

260

For 2019, so far we have five on the 1RKB, one on the 2RKB, five on the 3RKB, one on the 4RKB and one on the 5RKB.

Mr Speaker: Next question.

Q80/2019

**Hassan Centenary Terraces affordable housing scheme –
Cost and financing of construction**

265 **Clerk:** Question 80. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the anticipated total cost of the new Hassan Centenary Terraces affordable housing scheme; and how does it propose to finance its construction?

270

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

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, the tender processes remain ongoing and this information is commercially sensitive at this time.

275

Hon. R M Clinton: Mr Speaker, the hon. Lady may be able to correct me, but I understand the price lists have been published and people are being invited to sign contracts to purchase flats. Is she actually saying that they are inviting people to sign contracts when they do not know what the cost is going to be? Is that what she is telling the House?

280

Chief Minister (Hon. F R Picardo): Mr Speaker, the hon. Gentleman has obviously not had experience of being involved as a developer of property.

The nature of the relationship between a developer and a contractor is one which gives rise to a price but not a final negotiation in respect of additional works that may be required. So, what the Government has done is ensured that we are able to progress with the works and progress with the sales and will carry the risk of the purchase prices not covering the construction costs in the event that the final prices were, as yet, not finally agreed.

We have little reason to think that the final price will be different to that which is now on the table and is being finessed. Indeed, it may be that we are able to obtain an even better deal for the taxpayer than we have obtained already. We have conducted the negotiation as diligently and as effectively as we conducted it in relation to the two comprehensive schools, the price of which led the Hon. Mr Feetham to suggest that we were in fact the best negotiators on the planet.

So I am very pleased, Mr Speaker, to be able to confirm that although the price is not yet final and therefore cannot be given across the floor of the House, it is as near as final as possible but there are permutations still which are to be agreed. We do not believe that that creates any meaningful risk to the Government, but it is not yet a final, signed, agreed, figure.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his candid response and the information.

The second half of my question was: how does the Government effectively propose to finance it? He says he has more or less a figure for the cost, but I would like to know how he is going to propose to finance that.

We know in the House that people who are signing up to purchase these apartments are being asked to make, effectively, capital down-payments monthly towards the final purchase price, so I imagine the Chief Minister will say x amount will come from purchasers, but I would like to know where y is going to come from, the rest that is not being financed by the purchasers. Can the Chief Minister give me an indication?

Hon. Chief Minister: Mr Speaker, the payments from purchasers are in keeping with the mechanism which was established some time ago as to how we sell affordable housing. Indeed,

in the time that hon. Members were in government and they were responsible for the sales of affordable housing, they also required purchasers to make staged payments against the delivery of their properties. So, that part of the process does not seem to me to be one that can be controversial, and in some instances people historically have said, 'The staged payments ahead of completion are relatively high, so I obtain what is known as a bridging loan, those payments are made on the bridging loan, I pay the bridging loan and the bridging then becomes part of the mortgage at the time of completion.' That is the standard way in which successive administrations have sold affordable property, so I would be surprised if he was surprised at that.

From the tenor of his question he did not seem to be addressing that; he would seem to be suggesting that the Government itself was going to have to find the money to make the payments against the contractor, in respect of which there would be a shortfall from the amounts that were paid by the purchasers – which is, of course, the case. I anticipate making a detailed statement on how the Government is going to do that at the very latest during the course of the Budget debate, perhaps earlier.

Hon. R M Clinton: Mr Speaker, I must say I find the latter half of his contribution now has piqued my interest. The Chief Minister will perhaps say 'I'm not going to tell you now, I will tell you at the time of the Budget,' but is it not that the Government is in fact intending to borrow more money in order to finance the building of these affordable houses?

Hon. Chief Minister: Mr Speaker, the hon. Gentleman asked me when I am going to say how we are going to do something. Then, when I tell him when I intend to tell him how we are going to do something, he starts to present me with the different options that may be the ones we have taken to do something before I have told him I will tell him how we are going to do that thing. I am not going to be led up the garden path of doing a multiple-choice examination of how we are going to finance, whether it is by A, B, C, D or E.

If I have peaked his interest, Mr Speaker, I intend to keep him piqued until the moment comes when I am going to make the statement. It is not that I do not want to tell him today; it is that I am finalising the details of how it is going to be done. I want to be able to make a detailed statement, which means that there will be no need for hon. Members to speculate any further about how the financing is going to occur, or indeed for members of the community to speculate as to how the Government is going to finance the building of these homes, and indeed will assuage those concerns that some may have about whether or not governments – not this one or the next one but governments generally – can continue to fund affordable housing for future generations of working people in Gibraltar, which is a principle that was established by the GSLP in 1988 when we founded the principle of affordable homes, and 50/50 homes in particular, and which we have continued in association with the Liberal Party now that we are in government.

So, as soon as I am able to make the statement, I will do so, as I have indicated to the hon. Gentleman a moment ago.

Hon. D A Feetham: Mr Speaker, I realise from the what the hon. Gentleman has said that he is not going to condescend into any kind of details, but does the Government envisage that it will have to pay a balance over and above what it actually collects from potential purchasers? And if that is the position, in broad terms does the Government have an idea of the percentage that we are talking about that it will need to fund over and above the contribution of purchasers? In broad terms.

Hon. Chief Minister: Mr Speaker, I can give the hon. Gentleman that figure almost entirely to a T, without regard to the fact that there is a loss of value on the premium of the land, of course, because, as he knows, the principle established in 1988 is that the land is provided at no cost. So

the contribution in terms of the development cost in all of the work that we have done, because we do not give any advantage to somebody who wishes to acquire 100% of the property, is likely to be in the region of 50%.

Q81/2019

**Housing rent payment office –
Reason for relocation**

Clerk: Question 81. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise why it moved the housing rent payment office from the Main Street Post Office to New Harbours?

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

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, the rent collection office has not been moved from the Post Office to New Harbours. The rent collection office has always been located in the Housing Department, which is at New Harbours since it moved from City Hall in January 2016.

In February 2016, an additional counter was opened at the post office temporarily, with a view to it being phased out once people got used to the new arrangements. This temporary additional counter – which, when it closed last year, had only been open for one week a month – was finally phased out last summer. This was announced publicly in a press release dated 13th July 2018.

The Housing Department has modernised its systems and made available alternate methods of payment which include deductions at source for all public servants and occupational pensions, standing order payments and online payments on the e-gov service. These are actively encouraged and have proved to be very popular. These initiatives have had a very positive result in reducing the number of people who paid in person, to the point that it reduced by 80% and it was therefore deemed not viable to have the additional temporary counter at the post office any longer, as the demand was not high enough since tenants took up the many other options available to them to pay the rent.

Hon. R M Clinton: Mr Speaker, I am grateful to the hon. Lady for her answer.

I noticed today, having walked past the post office, that the space that was once the rent collection counter, temporary as it was, is now occupied by Gibraltar Car Parks for the payment of fixed penalty notices.

Mr Speaker, if I may quote from a newsletter published on 7th May this year by the Gibraltar Senior Citizens Association, of which she must of course be aware, what they say is:

As is well known, we are much opposed to seniors having to go to New Harbours to pay their rents, so we have proposed a venue to Minister Sacramento where arrangements for deduction from pensions or direct debits can be done quite hassle free for the elderly.

I would be grateful if the Minister could give us her thoughts on the matter.

Hon. Miss S J Sacramento: Mr Speaker, needless to say, I have a close working relationship with Mr Ruiz from the Senior Citizens Association. We have come to an arrangement whereby Mr Ruiz assists us in this policy, because in turn it assists his elderly members. He distributes for the Housing Department the forms that enable senior citizens to have the rent deducted by

standing order or any other methods that are available to them. On this basis, we work closely together. He facilitates the making of the arrangements so that he distributes the forms to his members and his members take them to the bank, and there is no need thereafter for the members to come to any counter to pay the rent.

Hon. R M Clinton: Mr Speaker, I am sure the House will congratulate this individual for his citizenship in helping his fellow elderly persons, but from my reading of the newsletter it is apparent that they are looking for a venue and that he has proposed a venue to the Minister. Can the Minister confirm whether that is the case, and does she have a venue in mind? Or is she saying that she has no intention of providing a venue similar to what was available on Main Street before?

I will tell the Minister that we have actually had very distressed senior citizens coming to see us because they cannot make the trip down to New Harbours because it is not that easy for them. A lot of these people are not used to the idea of direct debits and it may be a question of providing a transitional service to get them onto the system. Of course I understand the efficiency gains in doing that, but in the meantime would the Minister consider at least providing some kind of temporary assistance until they are satisfied that everybody who needs to be is on the direct debit system where everybody is happy? Because it is evident that people are not happy and she can very easily address this issue.

Hon. Miss S J Sacramento: Mr Speaker, a transitional period, as the hon. Member suggests, has been in place since 2016 to the point where the foot traffic for payment had been reduced by 80%. The hon. Gentleman, being a man of figures, a man of numbers and overall a man who promotes efficiency in the public sector, does not seem to be able to match these figures together.

The methods that we have introduced actually help elderly citizens and senior citizens in the payment of their rent, not only because it is more convenient to sign a mandate for a standing order and it is deducted from your bank account on a monthly basis and you do not have to worry about it thereafter – not only is that more convenient than having to go and personally pay it at a counter, whatever counter, every month, but it is all the more important for elderly citizens who may be forgetful or, for any other reasons, may find it inconvenient to pay in person on a monthly basis. Regardless of where the counter is, it may be too hot, it may be too cold, it may be raining, they may forget, other things may happen.

The measures that we have introduced are not only more efficient for the public sector and help us work smarter because we can dedicate our time to the back office and other things and other demands within the Department, but it is actually better, safer and more practical, particularly for elderly people because they are assured of paying their rent on a monthly basis. One of the things that concerns elderly people the most is paying their rent every month on time. Those who worry and those who pay rent are very particular about ensuring that they pay their rent on the first day of the month and it is a big fuss for them to pay their rent. By introducing these measures and by encouraging these measures – and Mr Ruiz, who is the Chairman of the Senior Citizens Association, helps us encourage them to take up these measures – it works all round for everyone.

I understand that there may be people who like the physical trip to a counter and prefer counter A to counter B, but the fact is that whereas until 2016 the Housing Department was based at City Hall, it is now based at New Harbours. Whereas City Hall may have been closer for people who lived on one estate, New Harbours is now closer to other people who live on other estates. You cannot please everybody all the time, but our new offices in New Harbours are completely accessible to everyone with disability – they accommodate people in wheelchairs and on mobility scooters. There are various bus routes that arrive at the New Harbours offices. It is very welcoming for elderly people and people with disabilities. We have a lift, we have everything, but if people do not want to go and pay in person, then they are free to take up any

455 of the alternative methods of payment, which have been very successfully taken up in the last few years – the transition period that he suggests we already started three years ago.

What Mr Ruiz means from that letter and what we have agreed since then ... What he meant in the newsletter is that we agreed on a point where people could attend to complete the forms for standing order, as opposed to a point where people could go and effect payment. That is
460 what he meant and we have made arrangements for there to be several points. We have engaged with the senior citizens' clubs, we have engaged with residents of the purpose-built flats for the elderly and their committees, we have engaged and continue to engage with the tenants' associations of the various estates so that they become our agents in helping us distribute these forms and encouraging tenants to complete them and either return them to us
465 and we can return them to the bank, or they can give them to the bank directly.

It is something that is working and is working all round. In fact, Mr Speaker, I think that the hon. Gentleman should congratulate the Housing Department on the success of making it a very efficient process not only for staff, not only for the efficient recovery of rent – which is, of course, something that we all want on a monthly basis – but really for having introduced these
470 measures that facilitate the payment of rent for everyone.

Hon. R M Clinton: Mr Speaker, I certainly have no hesitation in congratulating her on introducing a more efficient rent collection system. My only concern was the distress apparently caused to some sections of our senior citizens; but if, as she says, she has engaged with the
475 Senior Citizens Association and come up with an imaginative solution that works for all, then I am fine with that and I congratulate her.

Hon. Miss S J Sacramento: Thank you, Mr Speaker.

I accept his congratulations and I will go further: I will send the hon. Gentleman some of the
480 standing order slips, so that if he were to happen to bump into the very few people who still pay rent and do not have it deducted he can help them complete the form and help them submit it to the bank or to my offices.

Mr Speaker: Next question.

Q82/2019
Building of homes for rental –
Commencement date

485 **Clerk:** Question 82. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state when it will commence building homes for rental pursuant to its announcement at the 2018 Budget?

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

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, I refer to my answer to Question 452/2018 in the last Parliament session, as well as to my previous answers to this same question and also to my Statement in Parliament on 11th April and various public
495 statements on this matter.

Hon. E J Phillips: Mr Speaker, does the hon. Lady agree with me that there is a real need in our community for the building of rental homes?

500 **Hon. Miss S J Sacramento:** Indeed, Mr Speaker, which is why we have already said that we will be building them. We have said where and we have said when.

Hon. E J Phillips: Mr Speaker, in the Minister's press release of 12th December 2018 – which was in response to a GSD housing statement in relation to rental accommodation, amongst
505 other things – the Minister said:

Since 2011, this Government has built 895 affordable homes and a further 140 purpose-built homes for rental for the elderly where priority of allocation was given to applicants on the pensioner exchange list. This resulted in the release of government rental stock in the majority of the cases. This system obviously provides an increase in the available rental housing stock. This logic is blindingly obvious.

Does the Minister agree with that statement and is that the position of the Government in relation to the provision of rental homes for our community?

Hon. Miss S J Sacramento: Mr Speaker, it beggars belief that the Leader of the Opposition in
510 Parliament has read to me a press release that I wrote, has read to me my quote and asked me if I have agreed with my quote. It is regrettable that, instead of reading from a press release that was issued a while ago, he has not referred to the Government's latest press release which contains my Statement to this Parliament on 11th April, at which he was not present. I would have thought that in this Parliament one would expect people to be up to date with
515 announcements that are made. While, of course, the hon. Gentleman was not here on 11th April – and I am sure that he would have had some perfectly legitimate reason for not having been here, Mr Speaker – what I told this Parliament in my statement on the 11th was that ... I announced that in our forthcoming development of affordable housing at Bob Peliza Mews we would, in addition to the construction of affordable housing, also build a block which would be
520 purposely built accommodation for the elderly. That is rental accommodation.

The hon. Gentleman I do not think at this stage can be forgiven for not understanding how the housing process works, Mr Speaker. Affordable housing, clearly and logically to anyone, has a knock-on effect on the housing waiting lists, particularly given the way that we are allocating affordable housing in these developments now. The allocation priority criteria have changed and that has been publicly announced. The first priority criterion for allocation goes to people who
525 are currently housing tenants and who deliver vacant possession of Government housing upon purchase. So, improvement number one is that by the construction of affordable housing we have more rental stock released back into the stock because we are giving the people who will give us those homes preference, and as I said on 11th April in the Statement to Parliament, on
530 this occasion, for Hassan Centenary Terraces, we have 130 of those such applications. In addition to that – and that is only the figure that relates to Hassan Centenary Terraces – I am confident that we will have more as we progress the other affordable housing estates, which will be announced, as I said, in the summer. But in addition to that we are also building housing for rental. It will be rental stock which will be purposely built for the elderly. Again, the majority of
535 the tenants of these flats will be current housing tenants, so we will be adding to the stock by way of rental flats, but those bigger flats that those elderly citizens release will also be returned to stock.

When we are building, Mr Speaker – and construction costs money, and this construction is paid for by the taxpayer – we must ensure that we construct as efficiently as possible. There is
540 nothing more efficient than constructing purpose-built homes for the elderly because not only do we provide flats but it means that our elderly citizens have a better quality of life and it promotes independent living. By doing that, not only is it better for the citizen but it has been proved to show that they can live independently for longer, thereby keeping away from the hospitals and prolonging their need for elderly residential care – and thereby there is another

545 consequential saving on the taxpayer. I am absolutely convinced that this is the best way forward.

Mr Speaker: I am not going to permit many more lengthy exchanges on this matter because there was a Statement on this from the Government and subsequent to that Statement there were lengthy exchanges across the floor of the House. The matter was well ventilated less than a month ago.

I will allow the Hon. the Leader of the Opposition one other supplementary and then we move on.

555 **Hon. E J Phillips:** Mr Speaker, whilst the Minister for Housing attempts to wriggle on the hook that she has got herself onto for making statements in the 2018 Budget, it is quite clear – and I am asking the Minister to agree with me – that Action for Housing have been pressing her in relation to rental homes, not for the elderly but for those single dwellings that are much in need in our community.

560 Private landlords in this community have asked her specifically about what she intends to do in relation to building homes for rental. It is clear, by the numbers of people not only applying for affordable housing but those on the list for social need, that there is a real need within our community for rental homes.

565 I quite understand what she means about how homes are vacated and therefore there is stock to house those people who require homes for rental, but it simply is nonsense, Mr Speaker – and I am given to understand from members of the public that they have communicated their rationale to her, which she does not take on board; does she agree with that?

570 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government fully agrees with the policy that the Minister has brought to the Cabinet and is the right policy to pursue, which is to continue to build more properties for elderly tenants of existing Government property, for all of the reasons that the hon. Lady has set out and indeed for all of the reasons that the hon. Gentleman has said that members of the public, Action for Housing and private landlords have
575 approached the hon. Lady and indeed the Government about, because this is a simple calculation that I have explained before, that the hon. Lady has explained before and which the hon. Gentleman needs to pause to understand.

Private landlords who have problem tenants – and the problem tenant may be a tenant who is paying his rent but it is just too low and the private landlord wants to be able to charge more –
580 come to the Government and say, ‘Please build more rental accommodation so that this person who presently rents from me at a low rent can rent from you at a lower rent and I can rent out at the higher rent.’ The hon. Gentleman seems to be suggesting that that is what the Government should be pursuing. It is exactly what he said: are we listening to the private landlords? The private landlords who have property which they do not refurbish, they do not
585 invest in and they have people in who pay low rents say, ‘This person pays a low rent, therefore I cannot refurbish – you give them a home, and be me rid of this tenant.’ That is the position.

Action for Housing is representing tenants who come and see them and say, ‘I want a house and I need it now,’ and Action for Housing comes to see us but the work that they have done from the old days when there was an impossible housing list ... and sometimes they present to
590 us the needs of somebody who is 200 from the housing waiting list and they know that the person who is first should have more prominence. And of course then there are individuals who are in severe social need, who come to us because they need an allocation sooner than they might have it if they wait.

It is obvious, Mr Speaker, to anybody who looks at this that whether you support the
595 landlord’s right to get rid of a tenant who pays a low rent in order to get a tenant in who pays a higher rent – which the hon. Gentleman appears to do – whether you support Action for

Housing or whether you support those who want to move more quickly into a Government tenancy from private dwellings or from other tenancies where they may be cramped – which may be Government tenancies – whichever way you try and skin this cat, the most efficient way to build is not to build homes for rental for people who are not pensioners, for a simple reason. If you build that home, you give one home. If you build an apartment for a pensioner who is an existing Government tenant, by building one apartment you get two, at least, because the hon. Lady's magnificent management of the waiting list enables us to get more than two properties in most instances by entailing who moves around from what to where.

This seems to be complex for the Hon. the Leader of the Opposition to understand. Other Members of the Opposition have understood it. Indeed, if I may say so, I have said in this Parliament on a number of occasions that we did not think this up. This was something thought up –

Somebody is gesticulating from the Gallery, Mr Speaker, which I do not think they should do.

This was thought up by the former administration, by the GSD. They started Bishop Canilla. It was the right thing to do. We have got issues with the building quality of Bishop Canilla and we have got issues with the allocations in the way that they were done – it could have been done more efficiently – but it was something that was originated in their administration. We agreed with it. They built Albert Risso House, a much larger iteration of the original experiment at Bishop Cannilla. We have issues as to how the properties were allocated, we have got issues with the layout etc., but the concept is a right one. They took people who were in a tenancy, somebody who had a four- or five-bedroom property – which are the ones that the people that the hon. Gentleman is referring to need; most of them need the larger properties – and they moved them to a single-occupancy property at Bishop Canilla or Albert Risso House. They then got the four-bedroom or five-bedroom and gave that four-bedroom and five-bedroom to the persons who were on the waiting list, waiting. By building one property, they got two. In some instances you get three or four because you can move people around more efficiently.

So, just to do the numbers ... I think the hon. Gentleman referred to the press release saying 140: 140 times two is 280; times three – which is the number that the hon. Lady usually aims for; sometimes she gets more – is 420. In other words, from 140 you can get very near an estate, but to get that number of tenancies moved around, or to create that number of tenancies if you do not do it in this way, you have to build 400 properties, four-bedroom and five-bedroom etc.

We do not disagree that we need rental accommodation. We agree. The question is: what is the most efficient way of quickly and cost-effectively delivering rental accommodation? Is it, because you have got an old couple – who are asking us for these properties – sitting on their own in a four- or five-bedroom property and you have got somebody on the waiting list waiting for a five bedroom property, what is the efficient thing to do? To build a new four- or five-bedroom property? That is what the hon. Gentleman is saying to us. No, it is not. It is to build a one-bedroom property for the elderly – in a block which they will be delighted with because they are clamouring for them – where they are looked after, where they have the services that elderly people need, in the way that we have been providing, and which they all feel very comfortable in.

We have made the decision and we have defended the decision. We believe the most efficient, the most proper and ultimately the most comfortable position for people to be in is to build for the elderly, for the reasons I have set out. People who are on the housing waiting list are not saying to us, 'I would, please, like a new apartment in a new Government estate.' I think the hon. Gentleman would not defend that that would be what people should be entitled to seek. People say to us, 'I need a property.' There are some instances where they need smaller properties and there are some instances where they need larger properties, and that is why moving people around efficiently is an important part of how you manage the stock.

The right way to deal with the social need is to ensure that we are dealing with that other hugely important social need, which is elderly people now living on their own in very large Government properties. They set out to do it and we agree that it is the right thing to do. They

650 built an estate for rental as well; and, when they built that estate for rental, for every property that they built they got one. So you build Mid Harbours estate, you build one property, you get one property, you put one person in it. At the same time, you build something like Albert Risso House and you get two or three for every apartment.

655 Given where we are demographically, Mr Speaker, we have a very clear view, which I would ask them to consider very carefully and adopt because it is the view that they helped us develop. It is the most efficient, most socially just and cohesive approach to take and more quickly delivers 400 properties than building 400 properties. It is property rental; it is the position we have taken.

The hon. Gentleman can ask us next time again, if he likes and if Mr Speaker allows him, but we are going to give him the same answer.

660 **Mr Speaker:** I hope that it is totally relevant to the question on the Order Paper – I am prepared to call the Hon. Daniel Feetham on that basis, but to –

665 **Hon. D A Feetham:** Mr Speaker, I would hope that I do not ask irrelevant questions, but –

Mr Speaker: But we are now more than beginning to debate – I think we have been debating for the last 20 minutes – the Government's policy on the building of homes for rental. It was stated clearly three weeks ago; it has been stated clearly again this morning. We are at Question Time.

670 I will be lenient. I will allow the hon. Member to ask a further supplementary. The Hon. Daniel Feetham.

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

675 Certainly from our side it is understood, the argument that the Chief Minister has outlined, and indeed that argument is not incompatible with what my learned Friend is suggesting – that there might be a need for rental homes. But would the Chief Minister agree with me – bearing in mind that not everybody is old, that not everybody can afford the prices of the new affordable homes, which compared to previous developments are expensive and out of reach of many ordinary people – that really at the heart of this is that we need, as a community and as politicians, to take hard decisions and one of the hard decisions that we ought to be taking is introducing a rule that Government housing should only be available to those who cannot buy (**A Member:** Hear, hear.) and those who are vulnerable? Those who cannot afford to buy. Unless we are prepared to do that, we are going to always end up in a cycle of debate and counter-debate about this particular issue, because of course if you allow every single Gibraltarian on the housing waiting list, in theory you are always going to have a situation where demand outstrips supply.

685 **Mr Speaker:** Can we have a short answer, please? From the Government side we are beginning to get very lengthy answers to questions. If that is what happens now, I shudder to think what will happen when there are eight more Members asking questions and supplementaries next year.

Hon. Chief Minister: Mr Speaker, there has not been a motion to that effect yet.

695 **Mr Speaker:** But there will be. Going back to the point, answers from Government Ministers are becoming increasingly repetitive and lengthy.

Hon. Chief Minister: Mr Speaker, if we get asked the same question at every meeting, what can you do except give the same answer?

Mr Speaker: It is a pity that the Select Committee on Parliamentary Procedure does not do anything to give the powers to control that, because it is getting out of hand completely.

705 **Hon. Chief Minister:** Well, Mr Speaker, there will be more meetings of the Select Committee, which you can ask to address, if you wish – you have done so already; I am sure you can do so again – but I think it is very unfair of you to say that Government answers are becoming lengthy.

710 **Mr Speaker:** Not at all, it is a fact. The Hon. the Chief Minister, who very often quotes *Hansard*, should look at the *Hansard* and he will see the number of pages that are taken up by very lengthy answers from Ministers. It has been going on for some time now.

Hon. Chief Minister: Well, Mr Speaker, in that case the answer to the hon. Gentleman is no. If Mr Speaker wants me to give the hon. Gentleman a short answer, the answer is no. His question is ‘Does he agree?’ so the answer is no.

715 But in order to be able to be open with this House, to provide this House with information in order to give the detail to this House that this House in my view deserves, as Leader of the House I am going to give a full and detailed answer to the question that you have allowed the hon. Gentleman to put, which was not a short question. It was a lengthy question with a very lengthy preamble which requires an analysis of the demographic of the tenancies that we enjoy
720 today as a landlord of the Government, and an analysis also of the policy that led to hon. Gentlemen having to build for rental, which was the sale of post-war property, which is what I intend to do.

I do not know whether you want to say something before I embark on my answer.

725 **Mr Speaker:** You know what my views are. Please carry on.

Hon. Chief Minister: Thank you very much indeed.

Mr Speaker, the experience of the Government has been that no ordinary people, as the hon. Gentleman prefaced his question, have refused an offer at Hassan Centenary Terraces on the
730 basis that they are unable to afford the price, so I fully accept that developing some years after we developed Mons Calpe and Beach View Terraces, obviously in particular with the collapse of the pound against the euro, the cost in pounds of property in Gibraltar has gone up. That is an inescapable reality. It is not about Government selling for more or selling for less. The Government is not selling for a profit, the Government is selling to cover costs without including
735 the premium, but the price goes up perforce because of the difficulty that we have had with the currency.

If people were saying, ‘Look, I’d love to, but I can’t,’ then the hon. Gentleman would have a point that we would have to address. People are not saying that at all. There may be an urban myth to that effect, but the reality is that everybody who has been called has said, ‘Fantastic,
740 when can I come and choose?’

The second point, Mr Speaker, is that the hon. Gentleman is making an argument which he has made consistently in this House on the premise of somehow further restricting who is eligible for Government housing. The hon. Members went to the election with a policy of means testing for Government housing and we do not share that view. We have taken a different
745 approach to the way that we do this. We think that people go on the housing waiting list not because they want to rent if they are able to buy, but because they want to buy and they want to thereby signify their entitlement to buy. So I think that he is wrong in prefacing his question in that way and therefore a short answer to his question would fail to address the fact that that part of the premise on which his question is based is wrong.

750 Next, Mr Speaker, is the issue of the demographic. We have an ageing tenant population in a lot of the established estates. I go to our estates often. I am looking at what is happening in the refurbishments, I am talking to tenants and principally what I am told is, ‘Please build more for

pensioner accommodation because I would love a pensioner flat and I will leave you my lovely maisonette in Brother O'Brien,' or 'I will leave you my fantastic four-bedroom here or my five-bedroom there.' That is what I am told, I have direct experience of it and the hon. Lady has a number of phone calls a day probably seeking exactly that, so the demographics do not speak to what the hon. Gentleman is saying.

We had the Hon. Mr Reyes telling us that he is not a tenant, he is an owner, but he too has reached the stage in his life when he would like that possibility and I gave an indication that we are looking at whether it is possible to develop for those purposes – rather than provide rentals, to provide potential for affordable-ish purchase in that vein to move people on, also on the affordable ladder.

So, Mr Speaker, the demographic tells us that we have a lot, now, of people who are single and living in properties larger than the ones that they need. Usually the call for a two- or three-bedroom comes from people who are living with an elderly couple – so you have got an elderly couple living with their son or daughter with grandson and grandchild – and they are the ones who need a quick move. That is where the pressure is, but they are not tenants. The tenants are the pensioners. So you build a pensioner flat and you resolve that problem also. So we are not seeing, in fact, the sorts of pressures that one might hear on the street, on social media etc., are the demographic reality of what is happening.

We have a different approach. I think it has become clear the hon. Gentleman's approach is to means test and restrict who goes on the housing waiting list. Ours has not been that.

They built a rental estate and they built rental for the elderly. One of the reasons they had to do that was because their management of the stock was different to ours. They started to sell the post-war stock and so they were denuding the Government as landlord of rental properties available. If you sell something for £12,000 or £20,000 which costs £150,000 to build, we do not think that is the right way to manage the stock.

And so for all of those reasons, which I have broken down, Mr Speaker, not in an attempt to go on for longer just because I wanted to go against you, but because the hon. Gentleman was making demographic points which were wrong in the preface to his question and I needed to break them down to tell him that I do not agree with him.

Q83/2019

Housing waiting list –

Number of applicants waiting since December 2011

Clerk: Question 83. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state how many people who were on the housing list on 8th December 2011 are still waiting for an allocation of a home?

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

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, excluding allocations and earmarks, 83 applicants remain.

Hon. E J Phillips: Mr Speaker, does the hon. Lady – and I appreciate she may need notice of this question – have the breakdown in relation to those requests, be they 1RKB etc?

Hon. Miss S J Sacramento: Mr Speaker, I do have the breakdown: 74 of those are from the one 1RKB list. As an aside, I do not have the exact figure but a high percentage, and certainly more than 50%, are people who require elderly accommodation.

800 **Hon. E J Phillips:** Therefore, Mr Speaker, the other 50% are either young families or single individuals with no children?

Hon. Miss S J Sacramento: Mr Speaker, they are individuals, a lot of whom joined the list in order to be eligible to buy in the affordable housing.

805 **Hon. D A Feetham:** But does she have a breakdown in relation to that? Certainly there are a number of people who come to see me – and increasingly I am seeing a lot of people on housing issues – who are people who, for example, have a matrimonial split and the husband invariably is then told, ‘You only qualify for a one-bedroom flat,’ despite the fact that he may have, for example, three children. That has been the policy and I am not criticising the Government for it
810 because it was the policy when we were there and I have said in this House that I had disagreements with the former Chief Minister about this because I think it is terribly unfair. But does she have a breakdown of elderly people and younger people who just require either a one-bedroom flat or indeed the Housing Authority has said, ‘Well, you only qualify for a one bedroom flat’?

815 **Hon. Miss S J Sacramento:** No, Mr Speaker, because that was not the question. I happened to have the breakdown for the first supplementary; the second supplementary is quite far removed. In fact, the hon. Gentleman may not be aware that the actual question is limited to those who were on the waiting list before December 2011, so it is limited to that. It is not about
820 everybody who is on the waiting list; it is qualified to that. I have the breakdown of how many people are on the 1RKB. Who they are and what the demographic of the waiting list of the 1RKB pre-2011 remaining I do not have.

To clarify the point that the hon. Gentleman wanted to raise in relation to people who are separated and have children, we generally continue the policy that has always been in place,
825 because of obviously the limited stock that is available. Where a couple divorces or separates, whether the children are considered in the allocation depends on the legal status that the parent will have on the child. If there is, by way of a separation agreement or a court order, joint residence of the child, then the child will certainly be included in the application, but in the absence of that the child will not be included in the application. On that basis, we have been
830 flexible in our policy for affordable housing and are allowing people the opportunity to buy an additional bedroom, and this was precisely to assist people who are separated, have children, but may not necessarily have the joint residence of the children.

Hon. E J Phillips: Mr Speaker, I just ask this question. I do not want to reopen a debate on this
835 question on the –

Mr Speaker: [Inaudible] debate.

Hon. E J Phillips: Mr Speaker, I am just stating from the outset that it is remarkable that 50%
840 of 74 people, i.e. 37 people, in our community have been waiting seven years to be allocated a home under this administration. How does the Hon. Minister rationalise this position with the argument that was in the questions answered by the Chief Minister in the previous question? It just does not simply make sense.

845 **Mr Speaker:** It doesn’t, and neither does he, and neither am I allowing it. Next question, please.

Hon. D A Feetham: Mr Speaker, it is a –

850 **Mr Speaker:** There is no question of rationalising one with the other.

Hon. D A Feetham: No, it is a-

Mr Speaker: You can ask a straightforward question about the seven and you get an answer, but we are not debating the whys and wherefores.

Hon. D A Feetham: Mr Speaker –

Mr Speaker: Yes, go on.

Hon. D A Feetham: – is not the purpose of Question Time not only eliciting information –?

Mr Speaker: The purpose of Question Time in this House goes beyond any House anywhere on the UK model or any of the Overseas Territories. You cannot compare Question Time in this House to what happens anywhere. We have been in the House, on occasion, 10 hours a day and the sole subject on the agenda has been questions. It happens again and again, so what are you complaining about? You have a much bigger slice of the cake at Question Time than in any other parliament. If I am wrong, prove that I am wrong. Bring me evidence to show that I am wrong and that hon. Members in this House are not in a more advantageous position during Question Time than anywhere else. Prove that to me.

Hon. D A Feetham: Mr Speaker –

Mr Speaker: Now your supplementary.

Hon. D A Feetham: – the purpose of Question Time is, of course, to elicit –

Mr Speaker: Is to elicit information. You do not have to tell me. I can quote you: to elicit information, to press the Government to adopt certain measures and to ask what is Government policy. Those are the three purposes of Question Time.

Hon. D A Feetham: I will proceed with my supplementary and Mr Speaker can rule it out if he thinks that it is out of order.

How does the Government justify the fact that there are over 80 people on the housing waiting list from 2011, when they promised the people of Gibraltar – to those 81 people – in their manifesto that they would be housed within four years? How does the Government justify that, Mr Speaker?

Hon. Miss S J Sacramento: Well, Mr Speaker, unfortunately the answer to that is very simple: because in 2011 there were in excess of 1,400 people on this list. I think it is quite remarkable that we have been able to home and allocate as many people as we have. **(Two Members: Hear, hear, hear.)** *(Banging on desks)*

Hon. D A Feetham: So, Mr Speaker, what the hon. Lady is saying is that when they promised in 2011 that they would house everybody on the waiting list in 2011 and the pre-list within four years, they knew that it was not possible, because – *(Interjection)* Of course it is. By parity of reasoning, that must be so, Mr Speaker.

What I want is for the hon. Lady to show less bluster at the despatch box and for her to explain to these people and provide the comfort that these people require that they will be housed and they are not going to be waiting another eight years to be housed *(Banging on desks)* and more broken promises.

Chief Minister (Hon. F R Picardo): Well, Mr Speaker, to adopt the tone to which I am replying, *(Laughter)* what I will say to the hon. Gentleman is that I made very clear in the context of debates in this House that we found a list of people waiting for one-bedroom accommodation which was greater than we expected.

905 Indeed, what is also very clear is that people think sometimes that the Government is an estate agent, not a supplier of social housing. What he should ask us is whether any of these 80 have had any offers of allocation, because many, if not most, will have received offers of allocation and refused them. What we have not done is take them off the list even for the purposes of the answer, because if we had taken them off the list for the purposes of the answer
910 the hon. Gentleman might find that he has nothing left to bluster with.

I fully accept that people are entitled, under our system, to three offers of housing. They can say no to the first and they can say no to the second – and they can say no to the third, but then we are under no obligation to continue to offer them anything. But he should know, because he has been in government, that people come and say not ‘I need a one-bedroom,’ but ‘I’d like a
915 one-bedroom in Varyl Begg on the first floor, next to my grandmother at Ramirez Court.’ It happens, he knows it happens and he knows that when you call them up and say, ‘Well, I’ve got something at Gib V on the bottom floor,’ they say, ‘No, no, no. *Yo nada mas que quiero* Varyl Begg.’ That is what we are dealing with, Mr Speaker.

So, our conscience is not just clear, it is fully satisfied that we have done what we said we would do, that those who have not had an allocation are either in very particular
920 circumstances ... some of them uncontactable on some occasions, although they are telling us that they are in Gibraltar, some of them refusing allocations and none of them in the sort of criteria that hon. Gentlemen seemed to be advocating for when they started their questioning on this subject.

925 **Hon. D A Feetham:** Mr Speaker, I do not know what the circumstances of these 81 are. We are not in government; they are in government. They have not provided – *(Interjection)* No, they have not. In the information that they have shared with this House in answer to questions that the hon. Gentleman has asked, no one has provided a breakdown, out of those 81, of how many
930 of those have been made a first offer, a second offer or a third offer, or a breakdown of the circumstances in generic terms that those individuals face.

The Government says that all of them have been offered one or two chances of a property and that they have been refused, but is it not the case that there are ...? I am giving hon. Gentlemen an opportunity, blinded by the fact that I am not in government and I do not have
935 the statistics in front of me but I have long held the view and I am asking the Government whether they agree with this: that there is a gap in the stock in relation to one-bedroom flats and that that is where the Government perhaps, and indeed parties that are going to be contesting the next election, ought to consider – whether to build rental accommodation for those people? Or are they saying that actually that is not a problem in Gibraltar and indeed
940 there are sufficient one-bedroom flats in stock and it is just really that these in 81 individuals – I will confine myself to these 81 individuals because that is the original question – have been offered one-bedroom flats, if that is relevant to them – and I think that the hon. Lady actually alluded to the fact that most of them were seeking one bedroom flats – but actually they have been refused: it is not a question of supply, it is a question that they have refused the offer of
945 allocation?

Hon. Chief Minister: Mr Speaker, I have not said there would be no one on that list, I said the number would be lower, but hon. Members know how allocations work, so I am surprised they have not asked that question. Perhaps they would want to ask that question at the next session
950 of the House.

But let’s be very clear, Mr Speaker: most people who are on the one-bedroom list are there because that is what they are entitled to, but it is not what they want. In other words, very few

people want a one-bedroom. Many of the people on the one-bedroom list as it is today are there because they are waiting to try and buy, not rent, a two-bedroom and they did not – (**Hon. D A Feetham:** From 2011?) Yes, because there might have been people on the list in 2011 who were going away to be students in 2011, but they were on the list and that is what they are waiting for.

Indeed, Mr Speaker, if the hon. Gentleman were privy to the names of people on the list – I do not know why he bothers asking me a question if he is not going to listen to my reply – he would see that they are not names of people, in some instances, who are going to accept the offer of the best one-bedroom that we have in Laguna or Glacis or Varyl Begg or Moorish Castle. They are people who are on the list because they want to buy and they want to buy a two-bedroom. There are people who are on the list because they are fathers who are in those situations which the hon. Gentleman has said they find themselves in, which we agree we need to provide for in a different way, and what they are doing is waiting to buy. They have made other arrangements and they do not want a one-bedroom tenancy because they need something bigger, because they do have children with them. And you have other people who simply are people wanting a pensioner flat of the sort that the hon. Members opposite are telling us are not the ones we need to build in order to resolve the problem. But actually it is.

As usual, Mr Speaker, the Hon. the Deputy Chief Minister sets out helpfully the part of the 2015 manifesto where we specifically dealt with this, setting out that the lists that we had eliminated were the six, five, four, three and two and that the list which we had not been able to deal with was the 1RKB list and setting out how we intended to continue to deal with that. I think that that demonstrates the commitment that we entered into and how we have discharged it.

Hon. Members really do perplex me sometimes because their questioning is sometimes contradictory. One moment they are telling us, ‘The people you haven’t housed are the ones on the one-bedroom list,’ when we are telling them that we are going to build one-bedrooms for pensioners, and the next moment they are telling us to build four bedrooms and five bedrooms. One moment they are telling us to go paperless and the next moment they are telling us (**Hon. Miss S J Sacramento:** Open an office.) to open an office and not to go paperless.

Mr. Speaker, we can stand here and defend our position until the cows come home or until you stop us from doing so, but our position is not going to change. We are going to continue to take the view that we are doing the right thing in order to rid Gibraltar of its waiting lists and we are not going to play the trick of cutting the waiting list by stopping people from being eligible to be on it, which is what hon. Members would do by introducing means testing and which they tried to do when they were in government by reducing at what age you could come onto the list etc. We will continue to do our best to house the people of Gibraltar as quickly and as adequately as we are able to through affordable housing, through building for pensioners in order to provide more rental stock in that way. We think it is the right thing to do. We think we are delivering.

Q84/2019
Housing waiting list –
Social category A allocations

Clerk: Question 84. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state how many of the 31 people who joined the housing social category A list in 2018 have been allocated homes?

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

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, nine applicants categorised social A in 2018 have been allocated homes. Additionally, 10 applicants have had flats earmarked, which the Housing Department are awaiting to be returned to stock in order to allocate to them, and one has had the social categorisation removed due to a change of circumstances.

Hon. E J Phillips: In respect of the remaining 11, does the Hon. Minister have any visibility on that point?

Hon. Miss S J Sacramento: Mr Speaker, they are actively managed by the Housing Department along with all the other demands for allocation.

Hon. E J Phillips: Mr Speaker, in relation to the term 'earmarked for return to stock', when does the Minister envisage that? Is it a slow process?

Hon. Miss S J Sacramento: Mr Speaker, it depends on the flat. Obviously when keys are returned to the Housing Department from a former tenant, prospective tenants have the option of either having the flat refurbished for them or taking it on as self-repair. If they have to be refurbished, the turnaround usually takes a maximum of three months, so it will be at some point within the next three months.

Hon. D A Feetham: Mr Speaker, does the hon. Lady have any statistics or ask her Department to compile statistics as to how long it actually takes for somebody on the housing social category A list to be allocated a home?

Again, I am asking the question because I have recently seen a couple of people who are on the housing social A list who have been on that list for a considerable period of time, and it would assuage their concerns if the Minister at least indicated how long it might take for them to be housed, because we are talking about a list that is compiled of the most needy people in the jurisdiction in terms of housing.

Hon. Miss S J Sacramento: Mr Speaker, the social list is the most needy in the context of the most needy, because if you were not needy then you would not be on the housing waiting list to begin with. The answer to that depends not just on the circumstances of the individual – and there are different social categorisations – but it has a lot to do with the target property which the applicant requires. There is more stock of particular properties and less stock of others, and whereas there is more stock and there tends to be a quicker turnaround of the 3RKB, it may be slower, for example, in a 4RKB and even slower in the case of the 5RKB. So it is a question of supply and demand and that is how the Department balances the allocation of the flats.

If there is a particular case where the hon. Gentleman thinks someone has a very pressing social need and has been on a social list for an incredibly long period, I invite the hon. Gentleman to advise me privately, obviously, but the Department is very mindful of the social lists and the medical lists when allocating.

As an aside, Mr Speaker, it is actually sometimes remarkable when people are made an offer of allocation on the social list and, as the Chief Minister was saying, turn it down because they do not like the location, the area, the floor – or the colour of the hair of the neighbour's dog. Unfortunately, demands do get to that extreme and people who are on the social waiting list will not be given the option by the Housing Allocation Committee to take another property. It is a question of if your need is that extreme, unless the property is legitimately unsuitable for you because of accessibility characteristics or something that is justifiable, then the offer will be withdrawn and the person will be withdrawn from the social list.

Q85/2019
Unpaid rent arrears –
Amount as at January 2019

Clerk: Question 85. The Hon. E J Phillips.

1050 **Hon. E J Phillips:** Can the Government state the arrears in unpaid rent pertaining to Government rentals as of 23rd January 2019?

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

1055 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, as I have explained to the hon. Gentleman in the past, the balance of arrears is calculated at month end. The balance as at 1st January 2019 is £4,710,372.64.

1060 **Hon. E J Phillips:** As of that date, that represents an increase, in fact, in rental arrears owing to the Government. Does the Minister have an update as to those figures to the present day? She may have them with her, given the fact that we asked this question back in January.

1065 **Hon. Miss S J Sacramento:** Mr Speaker, traditionally January and February are difficult months and we tend to see a spike because people tend to not pay their rent in the months after Christmas. We saw a spike in January/February, then there was a decrease in March. We have had a spike again this year because of, unfortunately, the combination of various bank holidays over the last couple of weeks and people who come and pay at the counter in person have not come and paid this month. We have had an increase this month which we expect to be paid back next month, so we will see it balance out.

1070 Going back to the previous question, Mr Speaker, that is why the Department wants to encourage people to have payment deducted at source, because then if there are intervening bank holidays when people planned to come and pay their rent and do not come and pay their rent because it is inconvenient because of the bank holiday that week, having automated payments does away with that risk.

1075 The balance as the last month end is £4,737,558.04, but as I said, I queried this figure with the Department and they told me that they had experienced a lot of problems because of the succession of the Easter holidays and the bank holidays and they expect that we will recuperate the difference and will probably have a better balance at the end of this month.

1080 **Hon. E J Phillips:** Mr Speaker, whilst I appreciate it is a very difficult task, the figures seem to gravitate around £4.7 million and remain relatively static over the last eight months. Is the Government concerned that some of the enforcement process or the methodology they use to collect these rents is becoming likewise stagnant? And are there any plans to improve the methods or review them to see if they can be improved in terms of their workability?

1085 **Hon. Miss S J Sacramento:** Mr Speaker, I can assure the hon. Gentleman that procedures are not stagnant and they are continuously reviewed. What they will be now is escalated to litigation. If the litigation has not yet commenced, then it is certainly about to commence in the next week because I have seen papers being drafted and going backwards and forwards. So people who are in employment and defaulting in the payment of rent can expect to be receiving a claim form very soon.

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Q86/2019
Rent relief for households –
Basis of termination

Clerk: Question 86. The Hon. E J Phillips.

1095 **Hon. E J Phillips:** Can the Government confirm the basis on which rent relief was terminated for households for every month in 2018?

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

1100 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, the schedule is as follows: in January, one deceased, one admitted to elderly residential services; in February, three deceased, one admitted to elderly residential services – these are the reasons why the categorisation has been removed; in March, two were admitted to elderly residential services, two were deceased and one no longer qualified; in April, two deceased, one admitted to elderly residential services; in May, one deceased, one admitted to elderly residential services and two
1105 no longer qualified; in June, three were admitted to elderly residential services; in July, one was deceased, two admitted to elderly residential services, two no longer qualified; someone passed away in August; there were no changes in September; in October, one person failed to renew their application for rent relief; in November, one person was admitted to elderly residential services and one passed away; and in December, one person was admitted to elderly residential
1110 services.

Q87/2019
Pre-housing and housing waiting lists –
Plan for accommodating

Clerk: Question 87. The Hon. E J Phillips.

1115 **Hon. E J Phillips:** Mr Speaker, can the Government state how it intends to house over 1,285 people currently on the pre-housing and housing waiting lists?

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

1120 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, a considerable number of people on the waiting lists have applied to purchase at Hassan Centenary Terraces or expressed an interest to buy in the other forthcoming affordable housing schemes. Additionally, we have also announced the construction of rental homes by way of purpose-built accommodation for the elderly.

1125 Once the purchase of all affordable homes is complete in the coming months, we will be in a position to know how many applicants remain on the waiting list and assess the remainder accordingly.

1130 **Hon. E J Phillips:** Mr Speaker, it is clear between this side of the House and that side of the House that there is a difference of opinion, that probably will be tested in the General Election, over means testing of Government housing and it is quite clear to those watching this that we believe that social homes should be provided to the most needy in our community. But insofar as the 1,285 people – and I take the point the Chief Minister made in response to earlier questions on the Order Paper, that many of the people on this list, it is suggested, are waiting for

Government affordable homes – would it not make sense, when we are dealing with social housing, to separate the two lists into those that ...? My understanding from the Chief Minister's responses in the other questions is that this list encompasses and includes those people looking for affordable homes. Wouldn't it make sense then, when we are dealing with social housing for the most needy in our community, that that is separated from the list in relation to those that are seeking affordable housing? I just think it makes sense. I know that my learned hon. Friend Mr Feetham made the point in questioning today and I would encourage the Government to adopt that position.

Hon. Miss S J Sacramento: Mr Speaker, I am not sure whether that was a supplementary question or a statement, but in order to clarify for the hon. Gentleman, internally it is. What we are not going to do is deny someone the right of being on the waiting list, but it may well be that that person has either submitted an application to purchase or expressed an interest to purchase or tells us, 'I just want to be on the waiting list to purchase.' We have, within the wider list internally. Then we can separate both.

So, when it comes to allocation, someone may be at the top of the list and may receive the call and say, 'Well, actually, I do not want the flat that you are offering – leave me on the list because I do not want to lose my position on the list, but just call me when the next development for affordable housing is available.' Mr Speaker, the importance of this is we need some kind of order when we are then proceeding to contact people for the purchase of the affordable housing and we go by the order in which they appear on the list. People may want to be on the list and they are accumulating points for the time that they are on the list.

The point that I want to make is that we will continue to construct affordable housing and, in our experience, people who can afford to buy affordable housing will not aspire to rent as an alternative. People want to be on the waiting list so that they are in the system to have priority when their opportunity to purchase in the affordable housing schemes arises.

Hon. E J Phillips: I note from the answer to that question that the Government is looking for order in the system. I certainly would argue that there is a lack of order in the system that is being encouraged here insofar as the fusion of the list and then identifying those for affordable ...

Wouldn't the Minister agree that means testing would solve this problem when carving out individuals who can afford affordable homes and those who cannot? Clearly means testing is designed to meet the needs of a community and also meet the needs of those who would like to aspire to affordable homes who can afford that extra bit every month to get a mortgage and buy on the 50/50 scheme, or whatever percentage it is that is proposed by the Government. Would it not make sense to reconsider the Government's position on the question of means testing and adopt that policy? I put it to the Minister whether she would reconsider the Government's position in respect of means testing for Government housing.

Hon. Miss S J Sacramento: No, Mr Speaker.

Hon. D A Feetham: Mr Speaker, just returning to the answer that has just been given, it appeared to say that the way that the Government essentially decides to allocate affordable homes is to go through the housing waiting list and identify the people at the top of the housing waiting list, and those appear to be prioritised over people at the bottom of the housing waiting list. Doesn't that –?

Hon. Miss S J Sacramento: On the same list.

Hon. D A Feetham: On the same list, yes. Doesn't that encourage more people to go onto the housing waiting list? And couldn't the Government explore the possibility of decoupling the

1185 question of somebody wanting to buy an affordable home from having to go onto the housing waiting list? Otherwise, you are always going to get the situation whereby there are going to be hundreds and hundreds of people on the housing waiting list.

1190 **Hon. Miss S J Sacramento:** Mr Speaker, I already said, two supplementary questions ago, that we do have this internal distinction.

Q88/2019

**Bishop Canilla House –
Completion of refurbishment works**

Clerk: Question 88. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state that the refurbishment to Bishop Canilla will be completed by February 2019?

1195 I appreciate this question is now ... part of it is redundant, but if we can have an update in relation to that, it would be appreciated.

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

1200 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, the main elements of the works forming part of the external refurbishment of Bishop Canilla House are on track to be completed by June 2019.

1205 A short extension of time was required due to delays caused by adverse weather conditions and there was a necessary reprogramming of works due to eventualities which have come about as a result of the poor condition of the roof and other substandard building elements and unforeseen problems which were discovered during the course of the refurbishment. This, coupled with the fact that the building is a senior citizen residential block, has complicated the refurbishment further.

1210 **Hon. E J Phillips:** Can the Minister confirm what measures are going to be put in place to avoid again the same difficulties that we had last year insofar as heat for our elderly? Many of them have experienced problems insofar as the works surrounding them are obviously very inconvenient for them. Many of them still come back to us asking questions about when this will be finished, and I am grateful for the response to June but what matters are being put in place in order to avoid a reoccurrence of the same complaints that we may receive this year when the weather temperatures increase?

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Hon. Miss S J Sacramento: Mr Speaker, it is unlikely that we will have the same issues that we had last summer because we have progressed a year since then, so now it is a question of finalising the refurbishment, which I very much hope will be ready for June. It is just that there was an unforeseen issue with the condition of the roof that was discovered recently as part of the refurbishment and it was actually worse than anybody expected. It was conditions which could not be foreseen at the time of the initial survey for the works and that is what has brought us back slightly, but we are coming to the end of the work so hopefully it is now the final stretch and we should be seeing progress in the completion. I have certainly asked the contractors and everybody involved in the management of the refurbishment work that they ensure that they can complete everything that can be compartmentalised so that progress can be made and there is as little inconvenience as possible, because it is regrettable that we have found

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ourselves in the situation that we have found ourselves in, in the block where our residents are elderly.

Hon. D A Feetham: Well, Mr Speaker, that will be a great comfort to the elderly residents of that particular block. Indeed, as my hon. Friend has said, a number of them have come to see me. I have had reason to help them to draft letters, at least two to the Hon. Minister. I have also been down there and I have spoken to people there and indeed to workers who have been there.

I am sufficiently long in the tooth not to believe everything that I am told, but one of the issues that certainly was brought to my attention as having contributed to the problem was the payment of subcontractors – that the main contractor had been paid, that contractor had paid one of the subcontractors but it had not fed down the contractual chain and that had caused a problem with people from those subcontractors basically going to work, because of course they had not been paid. Is there any truth in that rumour? And if there is an element of truth, what measures are being taken in order to ensure that that does not happen again?

Hon. Miss S J Sacramento: Mr Speaker, the situation is not as the hon. Gentleman describes it, but what happened unfortunately a few months ago was that one of the subcontractors of the subcontractor, as a company, dissolved. That caused a delay of about a month. The subcontractor's subcontractor left, and that caused a delay but our subcontractor has met all the financial liabilities so that there is not an issue in terms of any further delay on account of the finances.

Going back to the hon. Gentleman the Leader of the Opposition's previous question in relation to the summer months, in relation to the balconies and the windows these have all been completed and they can already be opened, so that should not be an issue this summer at all and is not an issue now anymore.

Q89/2019

New Government affordable housing schemes – Date for commencement

Clerk: Question 89. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government confirm when allocations of the new Government affordable housing schemes will commence?

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

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, the sale of Hassan Centenary Terraces has already commenced.

Q90/2019

Domestic violence – Scope of protections

Clerk: Question 90. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state that it will bring a Bill to widen the scope of domestic violence protections to non-physical and economic abuse?

Clerk: Answer, the Minister for Housing and Equality.

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Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, the Government is already considering widening the scope of domestic violence to non-physical and economic abuse as part of our National Strategy on Domestic Abuse.

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Hon. E J Phillips: Mr Speaker, this is an area on which I have asked the Government a number of questions previously and I believe in the Budget last year the Hon. Minister said it is important to continue to raise awareness of domestic abuse and it is important to work collectively and to end all forms of violence against women and girls. Every single Member of this House will agree, of course, with that statement, or every Member of this House should agree with.

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Mr Speaker, insofar as the question is concerned, it is a year on, nearly, and I know that the national strategy in respect of domestic violence is to meet all those concerned, to meet particularly the RGP, who have also raised this issue quite publicly in newspapers and of course domestic violence organisations also continue to raise this issue with the Minister. Is the Minister in any way going to share with us a timeline in respect of this important piece of legislation that protects women and girls and indeed others – and men – from domestic violence? There have been many issues, of course, in several jurisdictions about domestic violence attributed to men, women and children, and therefore I would ask the Minister if she can give some clarity as to when it will propose to bring these new laws to our community, given the fact that we are now trailing fairly behind the UK position.

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Hon. Miss S J Sacramento: Mr Speaker, I do not accept the statement that we are trailing behind the UK position. We are working on numerous initiatives in relation to the prevention of domestic abuse, not just the legislation, because the legislation of course is an important framework that gives us protection but there are lots of other things that are necessary and that are in the pipeline and that we are continuously working on.

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This is something that I established six years ago, I think, and it is something that has been evolving remarkably since then. It is something that we keep under continuous review. Insofar as the drafting of legislation, that is something that is in the pipeline and will be made available to us as soon as it possibly can be. Surely it is something that needs to happen in the forthcoming months. I am keen to ensure that we wrap up and formalise anything that continues to be remaining in relation to the prevention of domestic abuse.

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A lot of work has been done and I think it is important that we communicate and we showcase and continue to remind people of the good work that we have done, particularly in relation to awareness campaigns. I work very closely with the principal organisations that are there to help and support the victims of domestic abuse – as well as, importantly, the perpetrators – and I have regular meetings with the Commissioner of Police on the subject as well as with the Chief Executive of the Care Agency, and it is something that I can assure the hon. Gentleman, and everybody indeed, that we are continuously progressing. Rest assured, Mr Speaker, that we have a number of announcements in relation to domestic abuse coming up very shortly.

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Hon. E J Phillips: The only reason why I have raised this question at this level is because of comments made in the media by organisations that are closely related to domestic violence who believe that domestic violence in our community is rife.

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Given the developments in the United Kingdom in relation to the legislation that underpins the protections for people who are the victims of domestic violence, and the call in fact by the Commissioner in respect of that underpinning legislation, and given the fact that the Minister of

her own admission has suggested that we have been looking at this for six years, I would have thought, given that the Budget speech of last year would have pushed that a little in terms of timing ... and I know that the Hon. Minister will not commit to a timeframe now, but I think it is important to remind the Government that this is a very significant area of legislation that needs to be dealt with as soon as possible.

Q91/2019

**Vacated Government dwellings –
Average turnaround time**

Clerk: Question 91. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What is the average turnaround time of a Government dwelling between the time that it is vacated and the time that the keys are handed over to a new tenant?

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

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, the average turnaround of a Government dwelling between the time it is vacated and the keys are handed over to a new tenant can vary. This is due to the condition of the flat. Some may only require a change of locks and cleaning of the property and others may require extensive refurbishment or may be connected to external factors such as a new roof.

After an extensive review of systems, the Housing Department now aims to achieve a turnaround in three months, though this target is not always possible.

Hon. Ms M D Hassan Nahon: Mr Speaker, constituents who come to see me are frustratingly reporting delays of more than three months and even years, so my question is: could anything be done to expedite what seems to be too long a wait when people are literally waiting on family couches to have housing? We do know that Government can expedite things when they want to.

Hon. Miss S J Sacramento: Mr Speaker, I do not quite understand the supplementary and I really fail to understand the comment at the end. The current Government would want to expedite everything as much as possible in every possible way.

I am not sure whether the hon. Lady refers to people who are waiting for refurbishment or people who are waiting for the allocation of a home generally. Certainly I am not aware of a refurbishment taking over a year at all, let alone years, so if there is ...

I have been extremely strict – and this is one of the things that I think has been a complete overhaul of the Housing Department, in that I have been very strict in the introduction of the collection of statistics and the management of the performance of our data and I have, I think probably for the first time ever in our Housing Department, introduced KPIs. I think I do not say the words ‘statistics’, ‘data’ and ‘KPIs’ often enough. It is probably the first thing I say when I walk in the door and the last thing as a leave.

As a result of this very strict management – and it has taken us a couple of years to be able to introduce new systems and new mechanisms – certainly the target is that the turnaround for a refurbishment is three months. That, years ago, was unheard of. I do accept that years ago the refurbishment of a Government flat, before our time, took over a year and sometimes up to two years, and they sometimes were not refurbished at all, but I certainly cannot accept that that is the situation today.

1365 If the hon. Lady has a constituent who says that they are awaiting a flat because it is in
refurbishment for over three months, then I would ask her to contact me and I will look into it,
but that is, certainly from my review of the data, not something that is common practice unless
there is major construction work that is required, like rebuilding ducts or having to replace a
1370 roof. Certainly my Department, the Housing Department, the Housing Works Agency and our
subcontractors are very closely managed to ensure we achieve these targets.

Standing Order 7(1) suspended 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.

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

BILLS

FIRST AND SECOND READING

**European Union Laws (Voluntary Implementation) Bill 2019 –
First Reading approved**

Clerk: Bills – First and Second Reading.

1380 A Bill for an Act for the voluntary implementation of European Union laws after the Treaty on
European Union, the Treaty on the Functioning of the European Union, the Treaty establishing
the European Atomic Energy Community and the European Economic Area Agreement cease to
apply to Gibraltar; and to provide such transitional or other provisions as are deemed necessary,
and for connected purposes.

The Hon. the Deputy Chief Minister.

1385 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, I have the honour to move that a Bill
for an Act to provide for the voluntary implementation of European Union laws after the Treaty
on European Union, the Treaty on the Functioning of the European Union, the Treaty
establishing the European Atomic Energy Community and the European Economic Area
Agreement cease to apply to Gibraltar; and to provide such transitional or other provisions as
1390 are deemed necessary, and for connected purposes be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to provide for the voluntary
implementation of European Union laws after the Treaty on European Union, the Treaty on the
Functioning of the European Union, the Treaty establishing the European Atomic Energy
1395 Community and the European Economic Area Agreement cease to apply to Gibraltar; and to
provide such transitional or other provisions as are deemed necessary, and for connected
purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The European Union Laws (Voluntary Implementation) Act 2019.

1400 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I move that the House should now adjourn to Thursday, 30th May at three o'clock in the afternoon, which will be after European parliamentary elections have been held, allowing the Clerk and the staff of this House to do the work they need to do in respect of Gibraltar's participation in those elections.

1405 Before the House rises, I am sure I join all Members of the House in saying that we all very much welcome that there would be a European parliamentary election, and in thanking in anticipation the Clerk and all members of your staff who have been responsible for ensuring that Gibraltar is able to participate in those elections. The circumstances in which we are going to vote have been visited upon us late and that has required that Mr Martinez and his staff have worked harder than they are usually required to work and in a shorter time window to ensure
1410 that Gibraltar is able to comply with all its obligations and the United Kingdom and Gibraltar legislation and European rules in the participation of the people of Gibraltar and all those eligible to vote in Gibraltar in those European elections.

I move that the House should now adjourn.

1415 **Mr Speaker:** The House will now adjourn to Thursday, 30th May at three in the afternoon.

The House adjourned at 5.02 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.10 p.m. – 7.56 p.m.

Gibraltar, Thursday, 30th May 2019

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The Gibraltar Parliament

The Parliament met at 3.10 p.m.

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

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

Order of the Day

BILLS

FIRST AND SECOND READING

European Union Laws (Voluntary Implementation) Bill 2019 – Second Reading approved

Clerk: Bills – First and Second Reading.

We continue with the Second Reading of the Bill for an Act to provide the voluntary implementation of European Union laws after the Treaty on European Union, the Treaty on the Functioning of the European Union, the Treaty establishing the European Atomic Energy Community and the European Economic Area Agreement cease to apply to Gibraltar; and to provide such transitional or other provisions as are deemed necessary, and for connected purposes.

The Hon. the Deputy Chief Minister.

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I beg to move that the Bill for the European Union Laws (Voluntary Implementation) Act 2019 be read a second time.

This is one of a number of Bills that have come to this House to make provision for our potential departure from the European Union. I use the word ‘potential’ deliberately, as hon. Members will know that it remains impossible to predict the final outcome of the Brexit saga.

We were first scheduled to leave the EU at the end of March. Then the plan was to leave on 12th April. Then, in the event that the United Kingdom and Gibraltar had not participated in European elections, the proposed date of departure would have been 1st June. Given that the UK and Gibraltar took part in those elections, the latest date of exit is now 31st October. However, the United Kingdom and Gibraltar may leave earlier if the Withdrawal Agreement is approved by the United Kingdom Parliament any time between June and October.

As the House knows, events continue to be fluid. The talks to approve a Withdrawal Agreement between the United Kingdom government and opposition have collapsed. The Prime Minister has announced her resignation. The Conservative Party has embarked on a contest to elect a new leader.

It is important to recall that the European Union has made clear that there will be no more extensions, in which case the failure to ratify the Withdrawal Agreement would lead the UK to exit without a deal on 31st October. The UK Parliament and government have made it clear that nobody wants to leave without a deal in place.

30 Mr Speaker, Brexit has turned politics on its head. The volume of work that it has generated is unprecedented. Some of it may well prove unnecessary – indeed, we may not even leave the European Union after all – yet we can take nothing for granted. The Government needs to continue to make provision for our EU exit in case it happens. That is the reason for the Bill before the House today.

35 In the event that Gibraltar leaves the European Union, Union law such as regulations and decisions will cease to automatically apply to form a part of Gibraltar's laws. There will no longer be an obligation for Gibraltar to transpose EU directives. The House will recall that this process was explained in considerable detail during the debate on the European Union (Withdrawal) Act earlier this year.

40 The fact that Gibraltar will no longer be legally bound by EU laws does not mean that it will not seek to implement equivalent legislation where and when it chooses to do so. Nor does it mean that there will not be circumstances where Gibraltar will need to match EU legislation and to do so expeditiously. There are a number of instances where Gibraltar may wish to follow developments in the European Union. This may be in areas as distinct as financial services, the environment or workers' rights.

45 What this Bill seeks to achieve is a replication of the existing powers in the European Communities Act and in the Interpretation and General Clauses Act for this purpose. This is reflected in clause 4 of the Bill. These powers have been exercised for many years and on countless occasions by successive Governments. In this sense, they are not new. The Government therefore proposes to create the same existing framework in a new Bill in case we were to leave the European Union. This will provide the necessary tools to ensure that swift changes, if deemed necessary, can be effected in a timely manner.

50 In addition, there is potential for Parliament to be asked to deal with a significant number of matters of detail. These matters could be of a regulatory or procedural nature, or even some potentially minor legislative tweaks. That is the sort of legislation that this Parliament has been spared to date.

55 Mr Speaker, this Bill breaks some new ground by making provision also in relation to EU legislation that has not applied to Gibraltar whilst in the European Union. Clause 4(4) therefore makes it clear that the clause is not limited to those areas of the EU Treaties or laws made under those Treaties that apply to or in Gibraltar under the terms of the Act of Accession and the European Communities Act. This extra lever has been introduced in order to give the Government of the day full control over the entire EU acquis and therefore maximum flexibility to respond quickly to changing circumstances.

60 The House should consider the Bill and its use in the context of how Governments to this day have exercised the same existing powers. Government have – and in the future may, when they consider it appropriate to do so – introduced primary legislation where the subject matter warrants it. That is a judgement call that is already currently made whenever EU legislation is to be implemented. The Bill does not affect the application of those principles, as I said, and they will continue to inform the exercise of power under this Bill.

65 The House may be interested to learn that Jersey has itself operated a voluntary implementation scheme for a number of years and has found it to be a useful tool. The House knows that Jersey's involvement in EU legislation has, as a matter of EU law, been more limited than that of Gibraltar. Indeed, the UK government itself, like the Gibraltar Government, is also seeking the power to be able to respond to those matters quickly in order to meet the demands of the moment.

70 Mr Speaker, in short, the effect of the Bill will be to allow Gibraltar to give effect to EU law and to mirror EU law in circumstances where there may no longer be an obligation to do so.

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

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? The Hon. Elliott Phillips, the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, we welcome the Bill and we echo a number of the observations made by the Deputy Chief Minister in relation to the political fracas panorama evolving almost daily in the United Kingdom. I note that the Deputy Chief Minister referred to politics being turned on its head: perhaps that should be extended to politicians being also turned on their heads almost on a daily basis in the United Kingdom. Luckily, in some respects, we do not suffer from the same problem in this jurisdiction.

Mr Speaker, particularly in relation to subclause 4(4) I can understand the rationale being deployed by the Government insofar as laws that would benefit this jurisdiction in this particular transition. Apart from that, we would also support this Bill insofar as making sure that EU law can continue to apply in Gibraltar insofar as legislation is required by this jurisdiction, and in that sense we will support this Bill.

Mr Speaker: Does any other hon. Member wish to speak on the Second Reading of this Bill? Does the mover wish to reply? No.

I now put the question, which is that a Bill for an Act to provide the voluntary implementation of European Union laws after the Treaty on European Union, the Treaty on the Functioning of the European Union, the Treaty establishing the European Atomic Energy Community and the European Economic Area Agreement cease to apply to Gibraltar, and to provide such transitional or other provisions as are deemed necessary, and for connected purposes be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The European Union Laws (Voluntary Implementation) Act 2019.

European Union Laws (Voluntary Implementation) Bill 2019 – Committee Stage and Third Reading to be taken at this sitting

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

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

Members: Aye.

Nature Protection (Amendment No. 2) Bill 2018 – Second Reading approved

Clerk: We now move to the Second Reading of a Bill for an Act to amend the Nature Protection Act 1991.

The Hon. the Minister for the Environment.

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 now be read a second time.

This is a very small amendment that will allow the issuing of fixed penalty notices for specific offences within the Nature Reserve and it is intended to improve the management of the Nature

Reserve so that the officers who enforce that particular Act and its regulations will be able to deal with incidences by way of fixed penalty notice.

I commend the Bill to the House.

125 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? No.

I will now put the question, which is that a Bill for an Act to amend the Nature Protection Act 1991 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

130 **Clerk:** The Nature Protection (Amendment No. 2) Act 1991.

**Nature Protection (Amendment No. 2) Bill 2018 –
Committee Stage and Third Reading to be taken at this sitting**

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.

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

Members: Aye.

**Gibraltar Electricity Authority (Amendment) Bill 2018 –
First Reading approved**

140 **Clerk:** A Bill for an Act to amend the Gibraltar Electricity Authority Act 2003 to support feed-in agreements and to matters connected thereto.

The Hon. the Minister for the Environment, Energy, Climate Change and Education.

145 **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 Gibraltar Electricity Authority Act 2003 be read a first time.

150 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Gibraltar Electricity Authority Act 2003 to support feed-in agreements and to matters connected thereto be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Gibraltar Electricity Authority (Amendment) Act 2019.

155

**Gibraltar Electricity Authority (Amendment) Bill 2018 –
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 now be read a second time.

This Bill amends the Gibraltar Electricity Authority Act to allow customers of the GEA who generate excess electricity through renewable energy sources to feed such excess electricity into the distribution network.

Customers who wish to feed in electricity will enter into a feed-in agreement with the GEA whereby customers will receive credits for the units of electricity they feed into the distribution network to be used towards their future electricity bills. The Bill permits the GEA, from a statutory perspective, to enter into those feed-in agreements with their customers and empowers the GEA to determine the specific terms and conditions by which such arrangements will be governed.

I would like to express my thanks to the Hon. Marlene Hassan Nahon, who has contributed considerably in discussing some of the implications of the Bill, which will be taken into account as the measures are implemented going forward.

Mr Speaker, I commend the Bill to the House.

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

Hon. E J Phillips: Mr Speaker, whilst we will support the Bill, we do have one concern – regarding a particular paragraph that I would like to identify now, just so that a note could be taken if we move into Committee Stage – in relation to 12A(2)(g) insofar as the general discretion in respect of those terms and conditions in the feed-in agreements. We have some concerns about how that will be exercised and the terms and conditions of such arrangements. It would appear that there is a general discretion to deal with feed-in arrangements and therefore we would like some more clarity on that aspect, if we can, particularly whether there are certain criteria that have to be met by each of the applicants to those agreements.

Mr Speaker: Does any other hon. Member wish to speak? Yes, the Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, whereas I appreciate this is aimed at a domestic market – I imagine this is what the Minister will tell the House – when he refers to ‘consumers’, I wonder whether in his amendment at 3(5) and his insertion of ‘where a consumer generates excess electricity’ they will be given credits ... but what happens if they persistently generate credits? Will they ever get paid? It just seems counterintuitive that if they do not produce credits they have to pay the Authority; but if they are always in credit ... When do they get paid by the Authority? I would like some clarification on that from the Minister, if he could.

Thank you.

Mr Speaker: Does the hon. mover wish to reply? The Hon. John Cortes.

Hon. Dr J E Cortes: Mr Speaker, I am grateful for the comments.

In relation to the first comment, the discretion is that of the Gibraltar Electricity Authority’s board and I have full confidence in that board’s ability to ensure that this is done in a fair manner, considering that the board is chaired by the Minister and includes the Financial Secretary within its members. So I do not share those concerns.

In relation to the Hon. Mr Clinton’s concerns, this is for domestic consumers. It is almost, I would say, extremely unlikely that any domestic consumer, or in this case producer, of electricity would ever, using this kind of technology in the topography of Gibraltar, would be able to

205 domestically produce excess to their consumption, so I do not believe that that is a concern – certainly not a concern that I share. I wish we had that problem to deal with, because that would mean that we were generating a lot of, for example, solar power, but I do not feel that that is something that need concern us, and therefore I do commend the Bill to the House.

210 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Gibraltar Electricity Authority Act 2003 to support feed-in agreements and to matters connected thereto be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Gibraltar Electricity Authority (Amendment) Act 2019.
215

**Gibraltar Electricity Authority (Amendment) Bill 2018 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):
Mr Speaker, I have the honour to move that a further Bill to amend the Gibraltar Electricity –

220 **Mr Speaker:** No, Committee.

Hon. Dr J E Cortes: Sorry, I have jumped. Yes, I have another one in a minute, so I will say that later, Mr Speaker.

225 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?

230 **Members:** Aye.

**Gibraltar Electricity Authority (Amendment) Bill 2019 –
First Reading approved**

Clerk: A Bill for an Act to amend the Gibraltar Electricity Authority Act 2003.
The Hon. the Minister for the Environment, Energy, Climate Change and Education.

235 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):**
This time, Mr Speaker – and apologies for the error earlier – I have the honour to move that a Bill for an Act to amend the Gibraltar Electricity Authority Act 2003 be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Gibraltar Electricity Authority Act 2003 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Gibraltar Electricity Authority (Amendment) Act 2019.

**Gibraltar Electricity Authority (Amendment) Bill 2019 –
Second Reading approved**

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

245 Mr Speaker, I have the honour to move that the Bill now be read a second time.

In recent years a number of property owners have raised concerns regarding the use of areas within private developments by the Gibraltar Electricity Authority for the housing of substations and related GEA equipment. Property owners have expressed concerns specifically that the GEA should not acquire any rights over their land.

250 These concerns can sometimes be resolved by entering into wayleave agreements with individual property owners. However, rather than embark on the negotiation of individual agreements with property owners, it was considered appropriate to deal with these concerns by way of an amendment to the existing Act. This would avoid the cumbersome process of having to negotiate individual agreements with different property owners.

255 The amendment to the Act in the manner proposed will ensure that the use of the land by the GEA in the way described will not result in the acquisition of rights by the GEA in such a way as to unduly prejudice the relevant landowners. The amendments allow the GEA to locate equipment within the land and designate certain areas within new developments for the housing of such equipment, but does not see the GEA acquiring any property rights over such land.

260 I commend this Bill to the House.

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? No.

265 I now put the question, which is that a Bill for an Act to amend the Gibraltar Electricity Authority Act 2003 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Gibraltar Electricity Authority (Amendment) Act 2019.

**Gibraltar Electricity Authority (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

270 **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.

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

Members: Aye.

**Public Health (Amendment) Bill 2019 –
First Reading approved**

280 **Clerk:** A Bill for an Act to amend the Public Health Act in order to provide for improvement notices and relevant penalties in regard to the control of major accident hazards involving dangerous substances.

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 Public Health Act in order to provide for improvement notices and relevant penalties in regard to the control of major accident hazards involving dangerous substances be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Public Health Act in order to provide for improvement notices and relevant penalties in regard to the control of major accident hazards involving dangerous substances be read a first time. Those in favour? **(Members: Aye.)** Those against? Carried.

Clerk: The Public Health (Amendment) Act 2019.

**Public Health (Amendment) Bill 2019 –
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.

The LNG storage facility recently completed at the North Mole will be supplying LNG to the new electrical power plant. Liquid natural gas is caught by Part 2A of the Public Health Act.

The plant was required to submit a safety report to the Environmental Agency as the competent authority before operation and will be subject to regular inspections. This amendment further enhances the power of the Agency as competent authority to issue improvement notices on the operator should they at any time during their inspections find that the measures taken by the operator for the prevention and mitigation of major accidents are deficient but not seriously deficient enough to issue a prohibition notice.

I commend this Bill to the House.

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

I now put the question, which is that a Bill for an Act to amend the Public Health Act in order to provide for improvement notices and relevant penalties in regard to the control of major accident hazards involving dangerous substances be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

Clerk: The Public Health (Amendment) Act 2019.

**Public Health (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

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.

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

Members: Aye.

**Ivory Bill 2019 –
First Reading approved**

325 **Clerk:** A Bill for an Act to make provision for the prohibition of dealing in ivory, save for in certain circumstances; and for connected purposes.

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):
330 Mr Speaker, I have the honour to move that a Bill for an Act to make provision for the prohibition of dealing in ivory, save for in certain circumstances, and for connected purposes be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to make provision for the
335 prohibition of dealing in ivory, save for in certain circumstances, and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Ivory Act 2019.

**Ivory Bill 2019 –
Second Reading approved**

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):
340 Mr Speaker, I have the honour to move that the Bill be now read a second time.

As recently as in 1930, as many as 10 million wild elephants roamed huge swathes of the African continent, but decades of poaching and conflict have since decimated African elephant populations. In 2016, experts estimated that the population in Africa had dropped by 111,000 elephants in the span of a decade. Today, there are just about 400,000 elephants across Africa.
345 Poaching continues to steer the species dangerously near to extinction.

Five years ago, researchers in Africa undertook a mammoth task counting the continent's elephants. The Great Elephant Census spanned 18 countries and 295,000 miles, being the largest, most comprehensive survey of African elephants ever. But the results released in 2016 were sobering: just 352,271 savannah elephants were found across their current range – a 30%
350 drop in seven years.

In 2016, the International Union for the Conservation of Nature (IUCN) reported that Africa's elephant population had seen its worst decline in 25 years, mostly as a result of intensified poaching for ivory. Large male super tuskers have virtually disappeared and it is estimated that 20,000 elephants may be poached for ivory every year.

355 This Bill will be one of the world's toughest laws on the sale of ivory. The aim of the Bill is to help reduce poaching of elephants through significantly limiting the legal market for ivory in all the potential of marketing ivory through Gibraltar. It is intended to reduce demand for ivory overseas through the application of the sales ban to re-export of ivory items from Gibraltar. The Bill also helps prevent the laundering of recently poached ivory as old ivory items through legal
360 markets and for it to be re-exported to jurisdictions where ivory continues to be a desirable commodity. The legislative model for this is the England and Wales Ivory Act 2018.

The Bill makes it an offence to deal in ivory, and dealing includes buying, selling or hiring, keeping for the purposes of selling or hiring, importing for sale or hire and exporting for sale or hire.

365 A consequential amendment will also be made to the Import and Export (Control) Regulations so that ivory as defined in the Bill will be a prohibited export and import. This avoids potential enforcement challenges in ascertaining the purpose of an import or export of ivory.

The Bill provides for limited exemptions. The first is for pre-1918 items which are of outstandingly high artistic, cultural or historical value. An owner who may wish to deal in such
370 items will need to obtain an exemption certificate from the Minister with responsibility for the Environment, which is only granted if he is satisfied as to certain matters including the rarity of the item.

Another exemption is for pre-1918 portrait miniatures of no more than 320 cm², which were popular during the 18th and 19th centuries but remain in circulation.

375 The next exemption is for pre-1947 items with a low ivory content, and this will apply to items like furniture with small ivory inlays or handles.

Pre-1975 musical instruments with a volume of ivory of less than 20% of the total material of which the instrument is made are also exempt.

The final exemption is for dealing of ivory to and between qualifying museums. This
380 exemption is not available in respect of unworked ivory, such as a tusk. A private owner may therefore sell or hire items to a qualifying museum. No museums have so far been designated as qualifying for this purpose.

Sections 17-36 of the Act confer powers required to enforce the Bill. Police and customs officers are empowered to stop and search persons or vehicles where they have reasonable
385 grounds to suspect that person to be committing a relevant offence or relevant evidence to be located in the vehicle. In order to enter premises, Police or Customs may obtain a warrant from a Justice of the Peace. There are additional powers to examine items found in a search carried out in accordance with any of the previous provisions.

Besides police and customs officers, authorised persons, being persons representing the
390 Department of Environment or any other person appointed by the Minister, have certain enforcement powers under the Bill.

The retention of items seized is authorised for as long as is necessary, and in particular either for use as evidence in a trial or to enable forensic or scientific investigation.

Customs officers have all the powers under the Import and Export Act 1986 for the purposes
395 of this Bill.

I would like to point out that since publication of the Command Paper we have received letters of support and congratulations from renowned conservationists around the world, including the Wildlife Conservation Society, the UK Environmental Investigation Agency, the prestigious Zoological Society of London, the Tusk Trust, the International Fund for Animal
400 Welfare and the Elephant Protection Initiative Implementation Board. These experts have described the Bill as 'comprehensive, clear and rigorous' and 'a testament to Gibraltar's commitment to elephant conservation'. We are encouraged by the indications that our Bill will 'reduce the burden on enforcement agencies in the identification of illegal ivory, empowering them to combat the illegal ivory trade within European borders'.

405 Mr Speaker, as I said earlier, there will be consequential amendments to the regulations to include the Bill and also hunting trophies.

I would like to express my thanks to the Hon. Daniel Feetham, who has assisted in bringing the Bill to this point for me to be able to present it to the House.

I therefore commend the Bill to the House. (*Banging on desks*)

410

Mr Speaker: Before I put the question I know the Hon. Daniel Feetham would wish to speak on the general principles and merits of this Bill, so I now call upon him.

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

The Opposition will obviously be supporting this Bill. The story of the elephant is a story that is imbued in tragedy. As the hon. Member has stated during the course of his intervention, in 1930 there were up to 10 million African elephants. Sixty years later, when they were added to the International List of Critically Endangered Species, only 600,000 had survived. Today, there are around 400,000 African elephants – from 10 million less than a century ago. Asian elephants about a century ago numbered approximately 200,000; today, there are less than 40,000 Asian elephants in the world.

Putting an end to habitat loss – which of course contributes to the decline of wildlife not only in relation to the elephant but across the board – may be next to impossible because as population grows and with population explosion in areas of the world where we see the elephant and some of the other endangered species, loss of habitat is very difficult to prevent, but we can do our bit.

Trophy hunting has undoubtedly contributed to the loss of elephants, but what has really contributed to this massive decline of elephant numbers – both in Africa and also, to a lesser extent, in Asia – has been the insatiable appetite in Asia for ivory. Between 2010 and 2014 the price of ivory *tripled* in Asia, of course driving illicit poaching of elephants through the roof.

Despite the elephant's inclusion in Appendix 1 of the Convention on International Trade in Endangered Species (CITES) in the 1990s meaning the sale of tusks and other elephant parts is a violation of international law, poaching is bigger business than ever with prices for ivory trade rising more than 16-fold in the last 10 years. It is incredible numbers, Mr Speaker. And whilst there are countries undoubtedly in Africa, despite very limited resources, that are attempting to do their bit in order to reduce the amount of poaching in those countries – I saw a story, I think it was in Tanzania and also in Kenya, where they are recruiting former poachers in order to help them fight poaching in those countries – the reality is that unless there is a worldwide ban on ivory sales in the nature of this comprehensive Bill, the demand in ivory will continue and so will the loss of our elephants until it is too late and we lose them altogether. And it is not just about the elephants: because elephants are a cornerstone species and there are myriad plants and insects and other animals that depend on the elephant, if we lose the elephant not only would that be a tragedy in itself but it would also be a wider environmental tragedy.

I hope that other countries in the world follow the example of the Hon. Minister in introducing a Bill of this nature and I have absolutely no hesitation in congratulating him unreservedly for bringing this Bill to the House.

Mr Speaker, the hon. Gentleman also mentioned something that is very close to my heart, which is a ban on trophy hunting. I just want to quote from an article by an English MP who I thought put it very well – Zac Goldsmith MP. I thought the way that he expressed his sentiments on trophy hunting was very close to the heart, for me. He said:

Global nature is in crisis ... A full 25% of all animal and plant species in the world are at risk of extinction.

I pause there, Mr Speaker: 25% of all animal and plant species in the world are at risk of extinction. That on top of the fact that we had a report that was published last year which indicated that we had lost, since 1970, 60% of all wildlife species in the world because of human activity – 60% since 1970 and we are at risk of losing a further 25% of what we have today. And then he continued, and he said:

It is an environmental tragedy ...

Clearly trophy hunting isn't the main cause of this disaster – but it matters. It matters because it shows in the plainest possible way how we have failed to put a meaningful value on the natural world.

Morally, trophy hunting horrifies the vast majority of the British public. It is depressing if the best we think we can do for beautiful and endangered creatures like lions, elephants and rhinos is for wealthy Westerners to pay thousands of pounds to shoot them. And when we see horrific stories like that of the shooting of Cecil the Lion in Zimbabwe in 2015 or of hunters posing gleefully next to their kills, most of us are repulsed ...

One report produced for the IUCN tells us that 40% of the big game hunting zones in Zambia, and 72% in Tanzania, are now classified as 'depleted', because the big game has been hunted out of these areas. In addition, hunters invariably prize rare species, meaning that the most endangered species are disproportionately targeted.

Mr Speaker, it is with great sadness, I have to say as somebody who does not ... I am not an environmentalist. I cannot stand up in this House and say that I have the years of supporting the environment that the Hon. the Minister has, but I have to say that, over recent years, seeing some of these stories on social media, the photographs, the effect that we are having on the environment, all these photographs of trophy hunters, it really does sadden me to the point sometimes of wanting to weep when I see some of these photographs on Twitter and social media, particularly relating to big-game or trophy hunting.

It saddens me that in the United Kingdom the United Kingdom government does not grasp the bull by the horns – if I can use that analogy – and ban the importation of the products of trophy hunting, because of course you cannot prevent people from going to Africa or anywhere else and kill animals – you cannot prevent that from happening, or it would be very difficult for you to prevent that from happening – but what you can do is prevent people from importing trophy-hunting products into your own country, and to see Ministers in the UK debating whether that is appropriate when we see all those photographs of animals being hunted and the effect that that is having on animals in the natural world really is beyond belief.

I am extremely happy and grateful that the Hon. Minister has indeed grasped the nettle and that within this Bill there is provision for secondary legislation to be brought in order to ban the importation of trophy-hunting products into Gibraltar, and the Hon. Minister needs to be commended for that as well.

Mr Speaker, for all those reasons the Opposition will be voting in favour of the Bill. (*Banging on desks*)

Mr Speaker: Does any other hon. Member wish to contribute to the Second Reading of this Bill?

I call on the mover to reply.

Hon. Dr J E Cortes: Mr Speaker, very briefly. I think I have said it before: I hope I have had something to do with the hon. Member's conversion. Somehow, I almost wish he had been Minister for the Environment when I was out there in the NGO world after hearing him today. But seriously, I do thank him for the kind words he has made about me personally and obviously, by implication, about the Government, (**Hon. Chief Minister:** Hear, hear.) which is leading on all these environmental initiatives – and for the final treatise on the subject, which I think was very illuminating. And so, Mr Speaker, just to express my gratitude to the hon. Member.

Of course a worldwide ban would be ideal. Gibraltar cannot do that but we can certainly lead by example, which we have done, as has been recognised by these major international players in writing and I am sure that after today we will get a lot more publicity in the international conservation world.

Mr Speaker, once again I commend the Bill.

Mr Speaker: I now put the question, which is that a Bill for an Act to make provision for the prohibition of dealing in ivory, save for in certain circumstances, and for connected purposes be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Ivory Act 2019.

**Ivory Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

500 **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.

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

Members: Aye.

510

Standing Order 7(1) suspended to proceed with laying of Accounts

Clerk: Suspension of Standing Orders.

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 Accounts on the table.

515

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

PAPER TO BE LAID

Clerk: The Hon. the Chief Minister.

520 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the table the
Annual Accounts of the Government of Gibraltar for the Year Ended 31st March 2016.

Mr Speaker: Ordered to lie.

Questions for Oral Answer

CHIEF MINISTER

Q126/2019

Gibdock –

Expiry of lease

Clerk: (viii) We are now going to questions to the Chief Minister and we commence with Question 126. I believe it is the Hon. Roy Clinton on behalf on the Hon. T N Hammond.

525

Hon. R M Clinton: Mr Speaker, when does or did the Gibdock lease expire?

Clerk: Answer, the Hon. the Chief Minister.

530

Chief Minister (Hon. F R Picardo): Mr Speaker, the Gibdock lease expired on 10th March 2018. However, Gibdock are presently holding over the lease whilst negotiations take place.

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

535 Can the Chief Minister give an indication as to, if there is an extension or there is a new lease, what the length of a new lease might be?

Hon. Chief Minister: Mr Speaker, that is one of the subjects of the negotiation.

540

Q127/2019

e-ID cards –

Total cost of introduction

Clerk: Question 127. The Hon. L F Llamas.

545 **Hon. L F Llamas:** Mr Speaker, what was the total cost, including the additional labour required, for the preparation and implementation of the new e-ID cards introduced in 2015 up until the fee waiver applied?

Clerk: Answer, the Hon. the Chief Minister.

550 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the total cost of the implementation of the new e-ID card system was £1,860,702.63

Q128/2019

Government borrowing –

Plans for raising new borrowing

Clerk: Question 128. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if it is seeking to raise new borrowing via either a securitisation programme or mortgages of property held by Government-owned or Gibraltar Development Corporation owned companies?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, no, sir.

Hon. R M Clinton: Mr Speaker, I realise I have phrased the question as prospective, but can the Government indicate whether it has in fact borrowed any money, certainly since I posed this question in January?

Hon. Chief Minister: Mr Speaker, no, sir.

Q129/2019
Community Care Trust –
Beneficiary of £85 million loan

Clerk: Question 129. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if it, or the Financial Secretary, has any knowledge of the identity of the beneficiary of the £85 million loan granted by Gibraltar Community Care Trust via GCC Investments Ltd?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, yes, sir.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his answer. Would he be able to share with the House who was the beneficiary of the £85 million loan?

Hon. Chief Minister: Mr Speaker, I am happy to share the information with the hon. Gentleman behind the Speaker's Chair.

Hon. R M Clinton: Mr Speaker, given that this effectively originates from public money voted by this Parliament, I would ask the Chief Minister what it is that is so sensitive that he is not able to say in this Chamber who will receive the benefit of that loan. What is it that is so sensitive as to the beneficiary of this loan?

Hon. Chief Minister: Mr Speaker, the sensitivity is such that I am not able to explain the sensitivity to him on this side of your Chair. On the other side of your chair I am prepared to explain the sensitivity to him.

He does understand, of course, that he is asking me about information which relates to community care, a totally independent charity. Although it receives money from the Government – a donation made every year – it does not account to the Government for what it does.

The hon. Gentleman has asked me would I know something about what that charity did and I have given him the truthful answer. He now wants to know more about what that charity did and what I know about it, and I have told him that I am prepared to tell him. But it is not Government information; it is information about an independent third-party charity. I hope he

does understand how important it is to maintain the principle and the reality and the truth that Gibraltar Community Care Ltd is an independent third-party charity and what the potential consequences of not keeping to that truth and reality might be for every recipient of Household Cost Allowance in Gibraltar. As I am sure he will not want to in any way affect that in a way that might potentially be negative, he should accept from me that the issue is one of great sensitivity and when I – if he wishes – share information with him behind your Chair on all of the terms that that implies, I think he will realise why there is sensitivity. This is not just about playing detective and trying to get to the bottom of a trail. This is about understanding why this House donates the money, what the purpose of the charitable institution is, what benefit to every Gibraltar-resident pensioner the charity provides and how we must be very careful to protect against anything that might in some way negatively affect that independent charity's ability to continue to pay the Household Cost Allowance to Gibraltar residents.

Our parties have had different positions in respect of this matter in the past. I had understood that we now had the same position in respect of Gibraltar Community Care. Perhaps I was wrong.

Hon. R M Clinton: Mr Speaker, I am fully cognisant of the sensitivity of Community Care and certainly I personally have no intention of affecting the payment of the Household Allowance or any other allowance paid by that worthy charity. I just would like to gain an understanding of how Community Care is investing and protecting that money for the benefit of our pensioners.

I will, given my real interest in how this money is being utilised – and I think it would be remiss of me not to – take up the Chief Minister's offer to explain how this money has been invested. However, if I feel that it is in the public interest, I reserve my right to disclose that information.

Hon. Chief Minister: Well, Mr Speaker, he and I have completely different views, obviously, about where the public interest might lie here, and given that he represents a very small number of the electorate in this House and indeed in this community ... Indeed, if we had proportional representation in Gibraltar, hon. Members might have had three or four Members in this House, as we have seen in the neighbouring town where, with 66%, in a different sort of parliament under a different sort of system, the party that wins the election takes 21 out of 25 seats.

The public interest is a matter to be determined by the Government, and so, Mr Speaker, I am so cognisant of my role as the guardian of the public interest in this respect and others that I do not therefore feel comfortable now sharing the information with the hon. Member even behind the Speaker's Chair. I think he has opened the door to an end to an established parliamentary convention, which is that if we share information behind the Speaker's Chair it is kept confidential – full stop. If the hon. Member believes that something is still in the public interest, well, he can come and ask the question again and I can give him the same answer, and he can show by his repeated questioning his view that something is in the public interest. But if he says, 'I will take the information on terms of strict confidentiality and I will then determine for myself whether it is in the public interest', I fear that hon. Members do not understand, at least the hon. Member – I will not say it of all of them; I say it of him – does not understand that the public interest might be different to his personal interest, to his curiosity, which is something that seems to be coming across more than his concern for the public interest, or indeed his partisan interest.

And so therefore, Mr Speaker, he has made me and, I am sure, all of the Members on this side of the House – and indeed, from the reactions that I saw in their faces, some Members on that side of the House – entirely uncomfortable with the idea of sharing information with him on what one might have called 'behind the Speaker's Chair' terms, because he has said he is ready to open the tap and undo the confidentiality in which, for generations, Members of the House have shared that information without the threat of disclosure if one of them decides that it is in the public interest.

650 We have to be able to talk to each other, and to be able to talk to each other we have to be
able to trust each other. And despite the fact that when the cameras are rolling we might go
hammer and tongs at each other – which to an extent is what the taxpayer requires us to do in
an adversarial system where we test ideas in that way – the hon. Gentleman has just closed the
655 door to another type of understanding between us which would have at least satiated his
curiosity, even if it might not have allowed him an additional unfortunate and probably
ineffective press release.

Mr Speaker: I do not think we should enter into a debate about the public interest.

660 **Hon. R M Clinton:** Okay, well, just one last comment.

Mr Speaker: If you have some other matter, please do.

Hon. R M Clinton: Mr Speaker, I have asked this question because it originates from public
665 money. The Chief Minister has in his possession information as to how this public money has
been used. He does not wish to share with this House or the public how this money has been
used. Therefore, Mr Speaker, I – as a representative of the public who is meant to be holding his
Government to account – cannot accept his terms either.

670 **Hon. Chief Minister:** Well, Mr Speaker, I am a representative of the public too. I am much
more representative, after the last General Election, of the public than he is. General elections
are what determine where we sit in this place, and the results of general elections until the next
general election are what determine how many people we represent.

But the way that the hon. Gentleman explains it, Mr Speaker, is designed to prejudice those
675 listening against those of us who have the information because we might be seeking to keep it
confidential. There is a difference between keeping something secret and keeping something
confidential. This is not even confidential, because it is public money. In other words, the hon.
Gentleman sees it as public money and he says it is public money and it is donated as public
680 money, then it becomes charitable money. In other words, the public money is donated to the
charity; it then becomes charitable money. So, what the hon. Gentleman is doing is he is
impugning, as he has in the letter that he sent to the Principal Auditor, the integrity of the
trustees of Community Care in the manner – (*Interjections*)

Hon. R M Clinton: On a point of order, I never said that.

685 **Mr Speaker:** Order!

Hon. Chief Minister: He is impugning me.

690 **Mr Speaker:** Order!

Hon. Chief Minister: Mr Speaker, that is not a point of order; that is a ridiculous attempt to
stop the flow of an orator who is not going to be stopped in his flow.

What the hon. Gentleman did, or attempted to do in his letter to the Principal Auditor was to
695 impugn the integrity of the commissioners, of the trustees of Community Care, (*Interjection*) and
he achieved nothing because the money that he refers to as public money is donated by this
Parliament, (*Interjections*) with the votes of the Members of this Government –

Mr Speaker: Order!

700 **Hon. Chief Minister:** – and the hon. Lady, to Community Care.

Mr Speaker: Order! These exchanges are no longer achieving any useful purpose. I am asking the Clerk to call the next question.

Q130/2019
Mortgaged housing estates –
Application of funds

705 **Clerk:** Question 130. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise how it has used the £300 million raised by the mortgaging of six housing estates in 2016?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, I will be making a statement in respect of the application of these funds during the course of my Budget address.

715 **Hon. R M Clinton:** Mr Speaker, as you will appreciate, I submitted these questions in January, long before we got the Estimates Book. I think I am owed an answer by the Chief Minister.

Hon. Chief Minister: He is right, Mr Speaker. I refer the hon. Gentleman to the answer I gave a few moments ago.

720 **Hon. R M Clinton:** Mr Speaker, this is a farce of the proceedings of this House. I tabled these questions in January. The Budget Book only came to us, I think, in late April, early May. I think it is right and proper that I should get the answer to this question before the Budget.

725 **Hon. Chief Minister:** Mr Speaker, what is a farce is that a retiree who gets £36,000 from the taxpayer – to spend his time in Main Street having coffee whilst the Government is hard at work ensuring this community is not hit by Brexit – should demand that I do more than I already do for this community simply by setting out for him the things that he is curious about.

I shall tell the community more about the application of the £300 million war chest that we
730 obtained for the Government during the course of my Budget address on 10th June. I very much look forward to delivering it. I know that he very much looks forward to hearing what I have to say. He will be very impressed by the things I have to tell the community.

Hon. R M Clinton: Mr Speaker, let's first be clear that this is by no shape and means a war
735 chest. This is money he has borrowed on the back of our housing stock, and he knows it. I think he owes this House an explanation. It has been three years since he borrowed this money and he still will not tell us what he did with it. I think that is shameful, Mr Speaker, and he should be ashamed of himself.

740 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman rises to shame himself by failing to remind us that the Government has already told the community on a number of occasions some of the things that we are doing with this money. He just wants more information and he wants the full breakdown. Well, look, Mr Speaker, he is going to have it but he is going to have it during the course of the Budget debate.

745 Every time he has been cross-examined on this on television he has, at the end of the questioning, reluctantly accepted first, when he was quizzed on *Viewpoint* two years ago, that

he would probably have done this deal himself too because in the end, after his analysis, it was not a bad one; and second that, actually, if you were reclaiming land and making a lot of money using this money, it would be a good investment for the community.

750 When he prances up and down Main Street enjoying his retirement and his £36,000 from the taxpayer, which is obviously just buying him his morning coffee, he wants more information upon which to reflect, upon which to ruminate. Mr Speaker, I am afraid the Hon. Mr Feetham was wrong: there are not just 400,000 elephants, there are 400,001, and one of them is ruminating up and down Main Street.

755 **Mr Speaker:** These exchanges of a personal nature are not achieving any purpose, they have got very little to do with the subject matter of the question, and the Clerk will therefore call Question 131.

Q131-134/2019

Midtown Coach and Car Park –

Spaces sold and purchase prices; recovery of moneys owed to Gibraltar Car Parks Ltd

Clerk: Question 131. The Hon. R M Clinton.

760 **Hon. R M Clinton:** Mr Speaker, further to Written Question 66/2018, can the Government advise why 44 parking spaces at the Midtown Coach and Car Park were sold for £18,000 and can it please provide a list of those 44 car parking space numbers sold at £18,000?

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

Chief Minister (Hon. F R Picardo): I will answer this question, Mr Speaker, together with Questions 132, 133 and 134.

770 **Clerk:** Question 132. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, further to Written Question 66/2018, can the Government provide floor plans for the Midtown Coach and Car Park for those floors where the 456 car parking spaces were sold, identifying car parking space numbers and associated sale price?

775 **Clerk:** Question 133. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if it or the developer offered any car parking spaces in the Midtown Coach and Car Park at a discounted price, and if so, why; and please identify such groups who benefited from a reduced purchase price?

Clerk: Question 134. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise how it intends to recover the £14,187,808.47 owed by Midtown Coach and Car Parks Ltd to Gibraltar Car Parks Ltd?

Clerk: Answer, the Hon. the Chief Minister.

790 **Hon. Chief Minister:** Mr Speaker, 44 parking spaces at the magnificent Midtown Coach and Car Park were sold for £18,000 as these are narrower than the standard parking. The floor plans and pricing schedules requested are now being handed out.

The price criteria of the spaces are as follows. They sold for £15,000 for an uncovered space; £18,000 for a reduced-width space 2.2 m wide, whilst standard spaces are 2.4 m – I think it was the columns which were affecting the size of these; £20,000 for a standard space; and £22,500 for a slightly larger space.

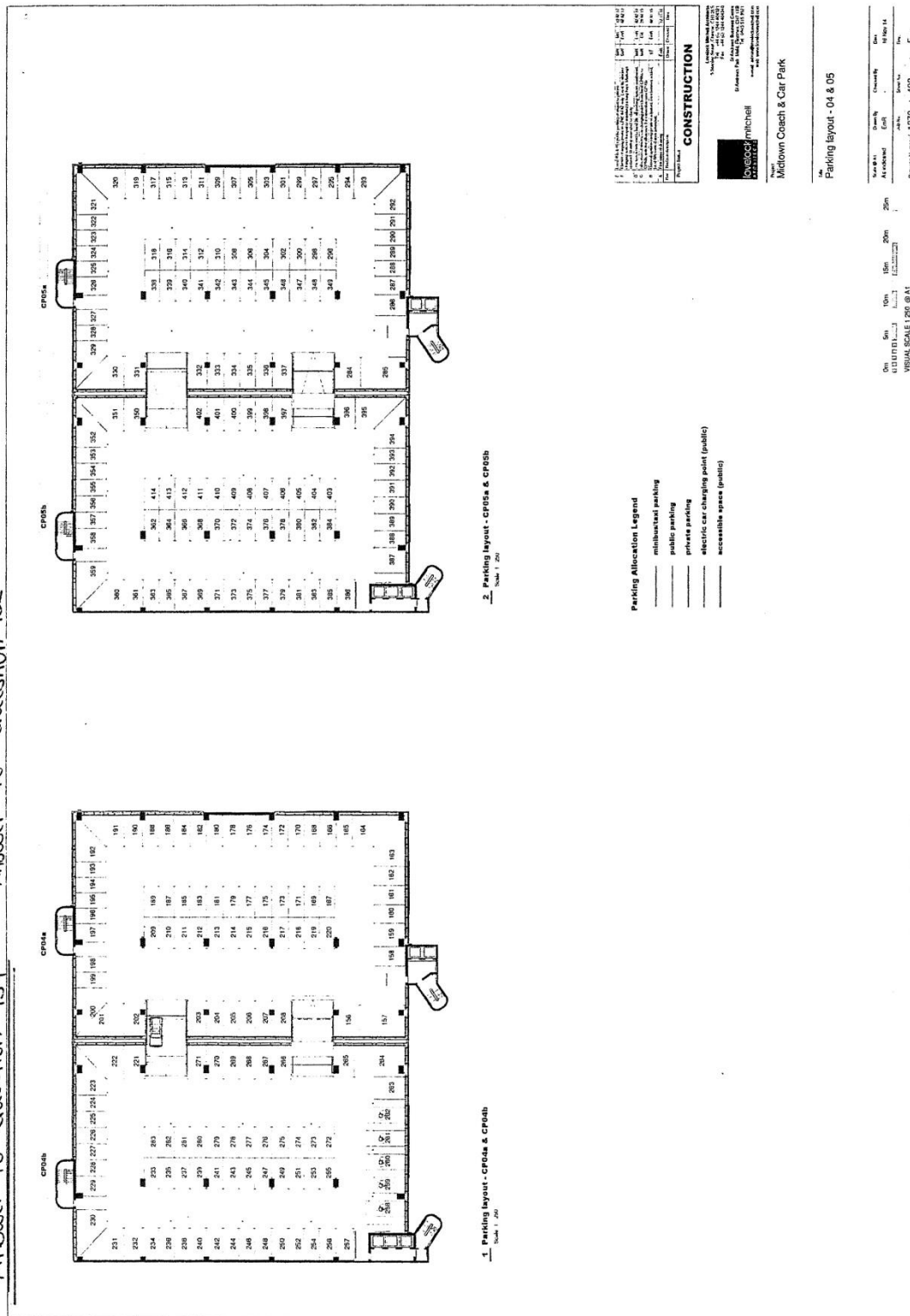
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Mr Speaker, I presume that Question 134 was asked when Midtown Coach and Car Park Ltd was owned by a third party, namely Midtown Coach and Car Park (Holdings) Ltd. Midtown Coach and Car Parks Ltd was acquired by Gibraltar Car Parks Ltd on 28th February 2018. The loan outstanding represents the debt owing over the cost of construction less any sales proceeds and associated cost, which will be repaid from rental and other income associated with the operation of the Car Park.

800

Answer to Q132/2019 (Continued)

ANSWER TO QUESTION 134 ANSWER TO QUESTION 132



Answer to Q132/2019 (Continued)

LEVEL / UNIT	OFFICIAL No.	PRICE
3A01	11	20000
3A01R	12	20000
3A02R	13	20000
3A02	14	20000
3A03 + Space	15	25000
3A05	16	20000
3A06	17	
3A07	18	
3A08	19	
3A09	20	20000
3A10	21	20000
3A11	22	20000
3A12	23	15000
3A13	24	17500
3A14	25	17500
3A15	26	15000
3A16	27	15000
3A17	28	15000
3A18	29	15000
3A19	30	15000
3A20	31	15000
3A21	32	15000
3A22	33	15000
3A23	34	15000
3A24	35	15000
3A25	36	15000
3A26	37	15000
3A27	38	20000
3A28	39	15000
3A29	40	15000
3A30	41	15000
3A31	42	15000
3A32	43	15000
3A33	44	20000
3A34	45	20000
3A35	46	20000
3A36	47	20000
3A37	48	20000
3A38	49	20000
3A39	50	20000
3A40	51	20000
3A41	52	20000
3A42	53	20000
3A43	54	20000
3A44 + Space	55	22500
3A45	56	22500
3A46	57	20000
3A47	58	20000
3A48	59	20000
3A49	60	20000

Answer to Q132/2019 (Continued)

3A50	61	20000
3A51	62	20000
3A52	63	18000
3A53	64	18000
3A54	65	20000
3A55	66	20000
3A56	67	18000
3A57	68	20000
3A58	69	20000
3A59	70	20000
3A60	71	20000
3A61	72	20000
3A62	73	20000
3A63	74	20000
3A64	75	20000
3A65	76	20000
3A66	77	20000
3A67	78	20000
3A68	79	20000
3A69	80	20000
3A70	81	20000
3A71	82	20000
3A72	83	20000
3A73	84	20000
3A74	85	20000
3A75	86	20000
3A76	87	20000
3A77	88	20000
3A78	89	20000
3A79	90	20000
3A80	91	20000
3A81	92	20000
3A82	93	20000
3A83	94	20000
3A84	95	20000

Answer to Q132/2019 (Continued)

LEVEL / UNIT	OFFICIAL No.	PRICE
3B01	96	20000
3B02	97	22500
3B03	98	22500
3B04	99	20000
3B05	100	20000
3B06	101	20000
3B07	102	20000
3B08	103	20000
3B09	104	20000
3B10	105	22500
3B11	106	22500
3B12	107	20000
3B13	108	20000
3B14	109	20000
3B15	110	20000
3B16	111	20000
3B17	112	20000
3B18	113	20000
3B19	114	18000
3B20	115	20000
3B21	116	18000
3B22	117	20000
3B23	118	20000
3B24	119	20000
3B25	120	20000
3B26	121	20000
3B27	122	18000
3B28	123	20000
3B29	124	18000
3B30	125	20000
3B31	126	20000
3B32	127	20000
3B33	128	20000
3B34	129	20000
3B35	130	20000
3B36	131	20000
3B37	132	20000
3B44 + Space	139	25000
3B45	140	20000
3B46	141	20000
3B47	142	20000
3B48	143	20000
3B49	144	20000
3B50	145	20000
3B51	146	20000
3B52	147	20000
3B53	148	20000
3B54	149	20000
3B55	150	20000
3B56	151	20000
3B57	152	20000
3B58	153	20000
3B59	154	20000
3B60	155	20000

Answer to Q132/2019 (Continued)

	OFFICIAL No.	PRICE
4A01	156	20000
4A02	157	22500
4A03	158	20000
4A04	159	20000
4A05	160	20000
4A06	161	20000
4A07	162	20000
4A08	163	22500
4A09	164	22500
4A10	165	20000
4A11	166	20000
4A12	167	20000
4A13	168	20000
4A14	169	20000
4A15	170	20000
4A16	171	20000
4A17	172	
4A18	173	20000
4A19	174	20000
4A20	175	20000
4A21	176	20000
4A22	177	20000
4A23	178	20000
4A24	179	20000
4A25	180	2000
4A26	181	20000
4A27	182	20000
4A28	183	20000
4A29	184	20000
4A30	185	20000
4A31	186	20000
4A32	187	20000
4A33	188	20000
4A34	189	20000
4A35	190	20000
4A36	191	22500
4A37	192	22500
4A38	193	20000
4A39	194	20000
4A40	195	20000
4A41	196	20000
4A42	197	20000
4A43	198	20000
4A44	199	20000
4A45 + space	200	22500
4A46 + space	201	22500
4A47	202	20000
4A48	203	20000
4A49	204	18000
4A50	205	20000
4A51	206	20000
4A52	207	18000
4A53	208	20000
4A54	209	20000
4A55	210	20000
4A56	211	20000
4A57	212	18000
4A58	213	18000
4A59	214	20000
4A60	215	20000
4A61	216	18000
4A62	217	18000
4A63	218	20000
4A64	219	20000
4A65	220	20000

Answer to Q132/2019 (Continued)

LEVEL / UNIT	OFFICIAL No.	PRICE
4B01	221	20000
4B02	222	22500
4B03	223	22500
4B04	224	20000
4B05	225	20000
4B06	226	20000
4B07	227	20000
4B08	228	20000
4B09	229	20000
4B10 + Corner	230	22500
4B11	231	22500
4B12	232	20000
4B13	233	20000
4B14	234	20000
4B15	235	20000
4B16	236	20000
4B17	237	20000
4B18	238	20000
4B19	239	18000
4B20	240	20000
4B21	241	18000
4B22	242	20000
4B23	243	20000
4B24	244	20000
4B25	245	20000
4B26	246	20000
4B27	247	18000
4B28	248	20000
4B29	249	20000
4B30	250	20000
4B31	251	18000
4B32	252	20000
4B33	253	2000
4B34	254	20000
4B35	255	20000
4B36	256	20000
4B37	257	20000
4B38	258	
4B39	259	
4B40	260	
4B41	261	
4B42	262	
4B43	263	22500
4B44	264	22500
4B45	265	20000
4B46	266	20000
4B47	267	18000
4B48	268	20000
4B49	269	20000
4B50	270	18000
4B51	271	20000
4B52	272	20000
4B53	273	20000
4B54	274	20000
4B55	275	20000
4B56	276	20000
4B57	277	20000
4B58	278	20000
4B59	279	20000
4B60	280	20000
4B61	281	20000
4B62	282	20000
4B63	283	20000

Answer to Q132/2019 (Continued)

LEVEL / UNIT	OFFICIAL No.	PRICE
5A01	284	22500
5A02	285	22500
5A04	286	20000
5A05	287	20000
5A06	288	20000
5A07	289	20000
5A08	290	20000
5A09	291	20000
5A10	292	22500
5A11	293	22500
5A12	294	20000
5A13	295	20000
5A14	296	20000
5A15	297	20000
5A16	298	
5A17	299	20000
5A18	300	20000
5A19	301	20000
5A20	302	20000
5A21	303	20000
5A22	304	20000
5A23	305	20000
5A24	306	
5A25	307	20000
5A26	308	
5A27	309	20000
5A28	310	20000
5A29	311	20000
5A30	312	20000
5A31	313	20000
5A32	314	20000
5A33	315	20000
5A34	316	20000
5A35	317	18000
5A36	318	20000
5A37	319	20000
5A38 & Space	320	22500
5A39	321	22500
5A40	322	20000
5A41	323	20000
5A42	324	20000
5A43	325	20000
5A44	326	20000
5A45	327	20000
5A46	328	20000
5A47 & Space	329	22500
5A48	330	22500
5A49	331	20000
5A50	332	20000
5A51	333	18000
5A52	334	20000
5A53	335	20000
5A54	336	18000
5A55	337	18000
5A56	338	20000
5A57	339	20000
5A58	340	20000
	341	18000
5A60	342	18000
5A61	343	20000
5A62	344	20000
5A63	345	18000
5A64	346	18000
5A65	347	20000
5A66	348	20000
5A67	349	20000

Answer to Q132/2019 (Continued)

LEVEL	CPS No.	PRICE
5B	350	20,000.00
5B	351	22,500.00
5B	352	22,500.00
5B	353	20,000.00
5B	354	20,000.00
5B	355	20,000.00
5B	356	20,000.00
5B	357	20,000.00
5B	358	20,000.00
5B	359	25,000.00
5B	360	20,000.00
5B	361	20,000.00
5B	362	18,000.00
5B	363	20,000.00
5B	364	20,000.00
5B	365	20,000.00
5B	366	20,000.00
5B	367	20,000.00
5B	368	18,000.00
5B	369	20,000.00
5B	370	18,000.00
5B	371	20,000.00
5B	372	20,000.00
5B	373	20,000.00
5B	374	20,000.00
5B	375	20,000.00
5B	376	18,000.00
5B	377	20,000.00
5B	378	18,000.00
5B	379	20,000.00
5B	380	20,000.00
5B	381	20,000.00
5B	382	20,000.00
5B	383	20,000.00
5B	384	18,000.00
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5B	387	20,000.00
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5B	394	22,500.00
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5B	398	18,000.00
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5B	400	20,000.00
5B	401	18,000.00
5B	402	20,000.00
5B	403	20,000.00
5B	404	20,000.00
5B	405	20,000.00
5B	406	20,000.00
5B	407	20,000.00
5B	408	20,000.00
5B	409	20,000.00
5B	410	20,000.00
5B	411	20,000.00
5B	412	20,000.00
5B	413	20,000.00
5B	414	20,000.00

Answer to Q132/2019 (Continued)

LEVEL / UNOFFICIAL N° PRICE		
6A	417	20000
6A	418	22500
6A	419	-
6A	420	20000
6A	421	20000
6A	422	20000
6A	423	20000
6A	424	20000
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6A	426	22500
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6A	450	20000
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6A	452	20000
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6A	463	22500
6A	464	20000
6A	465	20000
6A	466	18000
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6A	468	20000
6A	469	18000
6A	470	20000
6A	471	18000
6A	472	20000
6A	473	20000
6A	474	18000
6A	475	18000
6A	476	20000
6A	477	20000
6A	478	18000
6A	479	18000
6A	480	20000
6A	481	20000
6A	482	18000

Mr Speaker: Supplementaries?

805 **Hon. R M Clinton:** Yes, please. Sorry, Mr Speaker, if you just give me a couple of seconds to analyse his answers...

I do not seem to hear an answer to Question 134, in terms of the recovery of the £14.2 million debt, which is obviously now effectively intragroup. Can the Chief Minister advise how it is intended to recover that, or is it to be written off?

810

Hon. Chief Minister: This is the problem, Mr Speaker: I give him the answers and he does not listen.

The loan outstanding represents the debt owing over the cost of construction less any sales proceeds and associated costs, which will be repaid from the rental and other income associated with the operation of the car park.

815

Hon. R M Clinton: So, Mr Speaker, if I understand him correctly, the more that was raised from sales the less the loan would be – is that correct?

820

Hon. Chief Minister: Well, Mr Speaker, at the risk of sounding patronising, I think that is obvious.

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

Can I ask him: in terms of the parking spaces sold for £22,500, what are the special characteristics of those parking spaces?

825

Hon. Chief Minister: That they were larger.

Hon. R M Clinton: Mr Speaker, how much larger? Would they be able to fit two cars, for example?

830

Hon. Chief Minister: I do not think so, Mr Speaker, although some of them were adjacent to slightly smaller areas which could not be sold as parking and they were sold for an additional amount, those slightly smaller areas which could not be sold as parking.

835

Mr Speaker: Are there any other supplementaries?

Q135/2019

ES Ltd –

Total revised lending amount agreed with Lombard plc

Clerk: Question 135. The Hon. R M Clinton.

840

Hon. R M Clinton: Mr Speaker, can the Government advise the total revised lending amount agreed by ES Ltd with Lombard plc as increased from the £55 million advised in the 2016 Budget?

Clerk: Answer, the Hon. the Chief Minister.

845

Chief Minister (Hon. F R Picardo): Mr Speaker, I will be updating the House on this matter during the course of my Budget address this year.

Q136-137/2019

**Office space rented by Government –
World Trade Centre; plans for additional office space**

Clerk: Question 136. The Hon. R M Clinton.

850 **Hon. R M Clinton:** Mr Speaker, can the Government advise the annual cost, including service charges, of the 522 m² of office space it is renting in the World Trade Centre?

Clerk: Answer, the Hon. the Chief Minister.

855 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Question 137.

Clerk: Question 137. The Hon. R M Clinton.

860 **Hon. R M Clinton:** Mr Speaker, is the Government seeking to rent, or has it rented, additional office space this financial year 2018-19; and if so, where and for what purpose?

Clerk: Answer, the Hon. the Chief Minister.

865 **Hon. Chief Minister:** Mr Speaker, the annual cost of the World Trade Centre office space occupied by Government offices amounts to £207,326.26 per annum.

The Income Tax Office relocated its Contributions Section from Waterport beneath the HM Customs Recreation Club to Leanse Place during the 2018-19 financial year. The purpose of the relocation was to vacate the premises due to the construction of the new school building on that site.

870 The Department of the Environment has been renting Suites 1B, 2A and 2B in Leanse Place, Town Range, since 1st April 2018. This will enable all the different sections of the Department to work under one roof – that means the Upper Rock and Beaches department and the Department of the Environment. It was also necessary to vacate Duke of Kent House, due its condition.

875 The only section that has rented new offices this financial year has been the Gibraltar Co-ordinating Centre for Criminal Intelligence and Drugs (GCID), which previously shared office accommodation with the Gibraltar Financial Intelligence Unit [GFIU] at Suite 832 Europort, and since May 2018 now occupy the office next door, Suite 831 Europort. The expansion was as a result of the Financial Action Task Force recommendations in relation to Moneyval.

880 The Ministry of Commerce is currently renting Suite 751 Europort for the purposes of housing the project team responsible for the delivery of a number of e-service projects.

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

885 Can he advise if he has any information relating to the potential relocation of the Attorney General's Chambers? Is there any intention to move the Attorney-General from where he is at the moment to any other premises which might be rented from the private sector?

Hon. Chief Minister: Yes, Mr Speaker.

890 **Hon. R M Clinton:** Mr Speaker, would the Chief Minister be able to advise whether or not he has the actual identity of the location and why indeed it is felt necessary to move the Attorney General's Chambers?

Hon. Chief Minister: Well, Mr Speaker, there are two locations, as I understand it, which are being looked at, and the reason why they are being looked at is because since I became Chief

895 Minister, and indeed long before I was a Member of the Opposition, every time I visited the Attorney General's Chambers I was very concerned to see the circumstances in which people had to operate.

The amount of damp in that building is impossible to live with. The library, if it has not yet fallen to bits, is falling to bits and although people do not tend to use many books these days the library is of important value to the Government. The amount of damp makes it so difficult to operate that in some instances I remember people did not even want to go into the library, let alone use it. It is actually in a very bad state of repair, although hon. Members spent a lot of money refurbishing the building. But it is a very old building, Sir Joshua Hassan House – a name that is familiar and which we all appreciate, but it is a very old building, and therefore ... We spend a lot of money refurbishing these buildings and within six months they are once again
905 dens of damp. We have to deal with that.

We have people working in that environment and it is difficult to ask them to continue to work in that environment year after year. We are looking at relocations of them and others. We may even end up with Sir Joshua Hassan House being empty for either a full refurbishment or for other purposes. Frankly, I am very sorry to the members of the Attorney General's Chambers that it has taken this long, but I am keen to ensure that we finalise this process and that we
910 finalise it soon.

Hon. R M Clinton: Mr Speaker, I am grateful for the Chief Minister's answer, but he has not actually answered my question. Can he identify the sites that are being looked at? He mentions there are two possibilities. Could he disclose to the House what they are? I will say this quite openly in this House, Mr Speaker: one of the suggested locations is the former office premises of Hassan's.
915

Hon. Chief Minister: Mr Speaker, I understand that is one of the premises that they are looking at; I think that there is another one. I am not going to identify them because if what I did was identify every office that I am being told by a civil servant they are looking at in order to relocate, I would be giving him a list of the offices in Gibraltar because this is not just an affliction affecting the Attorney General's Chambers, it is affecting a number of other offices and we are keen to be able to move everyone who needs a move to a more dignified working space, if we are able to.
920 925

The hon. Gentleman has just heard me relate to him five different relocations that have already taken place, but the fact that it is the former Hassan's Chambers I suppose just demonstrates how suitable it is for lawyers. I do not know what other point the hon. Gentleman is trying to make, but one of the partners of Hassan's is sitting not just opposite but along from him, so he might want to ask them.
930

Hon. R M Clinton: Mr Speaker, the point I guess I am trying to make is how the Chief Minister will be handling any potential conflicts of interest that may arise or may be perceived to arise in Government offices moving to the chambers his law firm formerly occupied and in which his senior partners may still have an interest.
935

Hon. Chief Minister: As I always do, Mr Speaker: impeccably.

940 **Mr Speaker:** Next question.

Q138/2019
Former Rooke site –
Current plans

Clerk: Question 138. The Hon. R M Clinton. *(Interjection)*

Hon. R M Clinton: Well, we know the meaning of it. *(Interjection)*

Mr Speaker, can the Government advise its current plans for the former Rooke site?

945

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, as previously advised by the hon. Member himself, I am not going to make any further announcements until the ink is dry on the paper.

Q139/2019
Review of senior public sector salaries and relativities –
Appointment

950 **Clerk:** Question 139. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise who it has appointed to conduct a review of senior public sector salaries and relativities in Gibraltar, as announced by the Chief Minister in his 2018 Budget address?

955

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, this work is with the Chief Secretary, who will make an announcement in this respect as soon as he is able to do so.

960

Hon. R M Clinton: Mr Speaker, the Chief Minister made his announcement in his Budget address last summer. I would have expected him to make some kind of appointment by then, or announcement. Has he at least issued any invitations to tender for the process? And what stage are we at?

965

Hon. Chief Minister: Mr Speaker, this work is with the Chief Secretary, who will make an announcement in this respect as soon as he is able to do so.

Mr Speaker: Next question.

Q140/2019
Consolidation of Civil Service offices –
Progress

970 **Clerk:** Question 140. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government state how it intends to meet its 2015 manifesto commitment to consolidate Civil Service offices?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, following the hon. Member's own advice, I shall make an announcement in this respect when the ink is dry on the paper.

980 **Mr Speaker:** Next question.

Q141/2019

**Transfer of Gibraltar Defence Police –
Anticipated completion**

Clerk: Question 141. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, before I start, given that my name has been mentioned in relation to the NatWest building, can I say and clarify that I have absolutely no interest – legally, beneficially, of any sort – in that building. I just say that for clarity's sake.

When does the Government envisage that it will meet its manifesto commitment to finalise the transfer of the Gibraltar Defence Police to a wholly owned company of the Government, which in their manifesto was to happen by the end of 2017?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, I am grateful to the hon. Gentleman for his clarification. I have exactly the same lack of interest as he has declared to the House in respect of that building.

995 Her Majesty's Government of Gibraltar has been in a position to enter into meaningful discussions on the transfer of the Gibraltar Defence Police since 2015. Unfortunately, during this time the Ministry of Defence has undertaken various reviews of their service and have not been prepared to discuss a potential transfer with us.

1000 We continue to be open to engaging on this issue. However, negotiations are dependent on both parties' commitment to a transfer. This is literally us being a wallflower, because it takes two to tango.

Hon. D A Feetham: Mr Speaker, can the Hon. Chief Minister at least give us a flavour of what the issues are that are preventing the Government from meeting this manifesto commitment?

1005 **Hon. Chief Minister:** Mr Speaker, I think I have been very honest and very open with the hon. Member: the MoD do not want to transfer. We are in the market to take the GDP; the MoD are not in the market to give us, sell us or enter into an agreement with us in respect of the GDP.

1010 I do not know whether the hon. Gentleman remembers this example, but in relation to the Airport Fire Rescue Service it took 13 years for successive Governments of Gibraltar – in fact I think it was 13 years –

Mr Speaker: And the AACR.

1015 **Hon. Chief Minister:** And the AACR, so even longer. I think it was 13 years from the date that the MoD said they were prepared to do it, to us actually being able to complete it, but it was successive Governments who were prepared to take on the AFRS, then the Defence Air Fire Service, into the purview of the Government of Gibraltar.

1020 Very honestly, I think that a lot of this depends on who is in particular control of the relevant
part of the organogram of the Ministry of Defence at the time. There are some who see the
value in progressing and there are some who then take over and decide to do a handbrake turn
and not progress it, and you have got to be lucky enough to have two successive individuals
ready to do it in order really to complete it. I have had CBFs in my time in office who have been
wanting to do it and I have had CBFs in my time of office who have not been wanting to do it.
1025 Not wanting to do it does not necessarily mean that they are not enamoured of the GDP. I recall,
not in my time as Chief Minister but there was before my time as Chief Minister a CBF who
wanted to disband the GDP completely and might have bought the service from the Royal
Gibraltar Police. In my time, I have not come across a CBF who wants to disband the GDP, but
different CBFs have different levels of proprietary interest in the GDP and in wanting to own the
1030 assets and be able to shape the assets to deliver against their objectives and standards in their
own way.

I remain committed and I have said repeatedly behind closed doors and in front of cameras
that I am ready to do this transfer. The Government looks at the model that we established
when we transferred the Defence Fire Service into the AFRS as a model that could enable us to
1035 do this quickly. There are other models that we could use that might take longer. We are
committed to wanting there to be a Gibraltar Government involvement in the ownership of the
GDP, but if you are trying to acquire something from somebody and the person you are seeking
to acquire it from is not prepared to sell, then ... Look, I am afraid it is just impossible for us to be
able to complete.

1040 At the time, in 2015, that we entered into the commitment, we believed that we were then
able to see an end date. In fact, I seem to recall, from memory, that we talked about December
2017 as being the date by which we believed we could achieve it. Unfortunately, not as a result
of anything that we did, or did not do, it was not possible to complete the transfer.

The MoD at the moment prize the GDP. They consider it to be an important part of what
1045 assures the Ministry of Defence's security in Gibraltar and its operations in Gibraltar and they
want to continue to operate it. Those are the circumstances in which we fortunately find
ourselves, from the point of view of the men and women of that organisation who now know
that they are very much valued by the Ministry of Defence, but unfortunately find ourselves
from the point of view of being able to comply with our commitment to have signed, sealed and
1050 delivered a transfer of the GDP to the Government of Gibraltar by December 2017.

Mr Speaker: Next question.

Q142/2019
HM Customs –
Survey results re morale

Clerk: Question 142. The Hon. D A Feetham.

1055 **Hon. D A Feetham:** Mr Speaker, what is the Government's view on the results of the survey
conducted by the GGCA union amongst officers of her Majesty's Customs?

Clerk: Answer, the Hon. the Chief Minister.

1060 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government has discussed this matter
with the executive committee of the GGCA.

The Government has a very high regard for the men and women of HM Customs. It was this Government that increased their complement, rehoused them, provided them with proper equipment and recognised them as a law enforcement body.

1065

Hon. D A Feetham: Well, indeed, Mr Speaker, the Government have probably treated Customs – when you compare it with treatment of other Departments and other bodies, if I can put it in simple terms – better than most, and I recognise the Government has done much for HM Customs both in terms of increase in personnel and better terms etc. But how does he therefore explain, in the light of all that, that you have a survey that indicates that there is a significant problem with morale in this particular service?

Hon. Chief Minister: Well, Mr Speaker, I would remind the hon. Gentleman that one of the most important things that we did was recognise the key function in law enforcement that customs officers discharge in our community. We recognise that the Department is one of the Departments that contributes most of the revenue of the exchequer in Gibraltar. This was important and I think it is not unfair for me to characterise the treatment that they had by the former administration – not by him, but by the former administration – as being less than better treatment than most other Departments. In other words, the accusation that he levels at me, which I receive with a great affection, that we have treated Customs better than most, was not designed to raise Customs up above others; it was designed to bring Customs back to where it should have been, because in the treatment that they were receiving before then they were being much maligned. They were not even recognised by the former administration as a law enforcement body.

Mr Speaker, the hon. Gentleman asked me to speculate – and I am not here to speculate – because he asked me to psychoanalyse how it is that a questionnaire can result in an answer suggesting low morale. Well, you would have to look at the questionnaire – you would have to see how the questions were designed. I put it to him that he knows as well as I do, because of the profession that we practise outside of this place, that the way that you pose a question sometimes is designed to elicit a particular answer. As a result, in a courtroom some questions are not permissible because they are so designed to elicit a particular answer that they do not elicit more heat than they do light. So you would have to go into all of that. I am not saying that that is what the questionnaire does, but if you wanted to do a psychoanalysis and a speculative piece on why the answers come out like that, you would have to look at the questions as well – something which I confess I have not done and I am therefore not able to do across the floor of this House. Whether you ask questions which are designed to elicit an answer or whether you ask perfectly neutral questions, you might still get the same answers.

What I have done, Mr Speaker, is spoken to the people who represent the men and women of Customs and had a discussion with them about this. What I will tell him is that, given the way that he phrased his question – which I would say, perhaps for once in this House, was rather neutrally worded rather than designed to elicit a particular answer which he knew he would not get – the fact is that therefore recognising people as a law enforcement agency, in his terms treating them better than most and rehousing them etc. and giving them better terms and conditions, which is what the Government is responsible for, still does not determine where morale goes. Therefore, morale, when it is high, the hon. Gentleman will not want to attribute to us and when it is low, given the way that he has phrased his question, can also not be attributed to us but to other external factors.

Hon. D A Feetham: I have to say I marvel at the way the hon. Gentleman answers questions and his ability to think on his feet! It really is something to behold! He starts answering the question by indicating, 'Well, actually the problem was the survey, its leading questions thus producing leading answers,' but he then realises, 'Actually that is going to land me into trouble with GGCA ... No, I am not suggesting that it is a leading question.'

I sincerely just want to get to the bottom of whether the Government has done any analysis. I know the hon. Gentleman has always historically had his finger on the pulse in terms of all these issues and he has endeavoured to do more than most to keep the greatest number of people happy – if I can put it that way – and therefore it surprises me that he would not have done an analysis of what is causing this low morale on the part of Customs.

I also would have expected him – no doubt he has – to sit down with the GGCA to discuss the survey: what are the issues that are causing concerns amongst customs officers and what can we do about it? I am asking the Hon. the Chief Minister: whether he has done that analysis and what light can he shed; and if he does, what lies at the heart of this problem, and, of course, thirdly, what is his Government going to do about it?

Hon. Chief Minister: Mr Speaker, the hon. Gentleman does like to traduce what I say. I did not think I was going to get myself into trouble with the GGCA and therefore change course. I set out to explain to him what the art of the question means in the context of the 21st century, a Survey Monkey addiction that some appear to have. Hungry Monkey is a solution for many things. Survey Monkey is not necessarily diagnostic of symptoms which one needs to consider to have been diagnosed almost with the precision of a physician. You have to be a little bit more circumspect in that respect.

And so, Mr Speaker, when the hon. Gentleman asks me whether there is a problem, I will answer him that I do not think there is, I think that there are issues and there is a difference between there being a problem and there being issues. And when the hon. Gentleman says ‘No doubt you will sit down with the GGCA,’ all he is doing is reflecting what I told him in the first moment that I got up: that I had sat down with the GGCA. In fact, in my prepared answer the first sentence says that Government has discussed this matter with the executive committee of the GGCA. But, look, I am not going to share with him what I discuss with the GGCA. If he thinks it is appropriate, he can ask the GGCA. I think it is important that the Government and the unions continue to have a channel open where we can trust each other to have discussions without sharing that more widely, especially when we are discussing issues relating to the morale of members of a particular union.

Mr Speaker, the hon. Gentleman accuses me of having my finger on the pulse. Well, for a politician that is a very good thing and I do detect, as a result, that their pulses are racing a little and they need to calm down. The election is not yet. I will tell them when the election is going to be. We are going to have a Budget session next Monday, on 10th June, and that might set the scene for what is going to happen next, but they can relax their pulses a little for now.

He then accuses me – again, an accusation that I receive with great affection and almost aplomb – of having managed to keep the greatest number of people happy for the longest period of time. Well, I suppose in the 24/7 social media world in which we live, seven and a half years feels almost like 40, but it is just seven and a half years. The hon. Gentleman has described as the greatest Gibraltarian of all time somebody who was able to keep the people of Gibraltar happy for 16 years, if happiness is measured in votes. But I do not think happiness is measured in votes; I think happiness is measured in attitudes and approach. There are people who have never voted for me who tell me that we are doing a great job and that they are going to vote for me next time, and there are people who have never voted for me who told me that they are never going to vote for me but that we are doing a good job – and sometimes you think that is almost as valuable.

Mr Speaker, I say all that because this is not just a job; it is a responsibility. This is not about making people happy; this is about taking responsibility for making people safe and secure. That is why this party – or the parties represented on this side of the House – represented the strongest foundations for the future of our community at the last General Election. That is why Steve Jobs used to say ‘if what you want to do is to make people happy and make people like you, sell ice cream, don’t go into business’ – or politics, you might say. I am not in the business of selling ice cream, I am in the business of keeping this community safe and secure and I take my

responsibility to the men and women of Customs and to the work that they do very seriously indeed.

1170 **Hon. D A Feetham:** Mr Speaker, if I may say so, he can sell ice to the Eskimos – that is sometimes my analysis of the hon Member!

1175 Let's come back to basics here and strip away all the non-essential stuff. Can he tell me what are the issues? He has talked about issues – he said there are no problems, there are issues. Can he tell this House what he believes the issues are that may have been reflected in this survey? Or, if they are not reflected in the survey, what are the issues that he has spoken about, without condescending to particulars?

Hon. Chief Minister: Mr Speaker, when you say to somebody in politics, from the opposite benches, that they could sell ice to the Eskimos, I think you intend that as an insult, but I receive that insult as the deepest praise that a political opponent could bestow on me.

1180 The hon. Gentleman will forgive me for saying that I do not think that the ventilation of issues in respect of this matter will go any distance to resolving them, other than perhaps to sate his curiosity – and as I said earlier to the Hon. Mr Clinton, I am not here to sate curiosities.

Mr Speaker: Next question.

Q143-148/2019
Drugs problem –
Government manifesto commitments

1185 **Clerk:** Question 143. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, when is the Chief Minister going to comply with his party's manifesto commitments in connection with the drugs portfolio?

1190 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Questions 144 to 148.

1195 **Clerk:** Question 144. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, has the Government got intentions to move the addiction portfolio across to the Health portfolio?

1200 **Hon. Chief Minister:** Mr Speaker, I am sorry that I have said Questions 144 to 148, but the hon. Lady is about to read Questions 145 and 146. Could I ask her to just refer to the South District instead of the specific address that she is going to refer to? I will tell her a little more about that when I answer the question. She is going to give a specific address, but if she could just say 'in the South District' instead of giving the specific address, that would be helpful.

1205 **Clerk:** Question 145. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, how many people have used the facilities of the South District for patients post Bruce's Farm since it has been operational?

1210 **Clerk:** Question 146. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Has the South District been checked for the suitability for the purpose of accommodating patients emanating from Bruce's Farm; and if so, what criteria have been applied?

1215 **Clerk:** Question 147. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, I would just like to say I do not understand how just it is to have completely unrelated questions bunched up together in order to make it harder for me to decipher the different answers from all the different questions. (*Interjection*) Thank

1220 you.

What aftercare support mechanisms are in place for patients who have left Bruce's Farm before completing their 12-week programme?

1225 **Clerk:** Question 148. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What is the full complement of active drug counsellors in Gibraltar?

1230 **Clerk:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, there are no easy answers to really make a difference in tackling drug abuse, although we know that goals must be long term. Our vision is to create a healthy and confident society, increasingly free from the harm caused by the misuse of drugs. Our new approach will combine a number of strategically planned interventions, with prevention and providing accessible pathways for those who need help and also for families who require support.

1235 Importantly, what we do know is that drug problems do not occur in isolation. They are often tied in with other social problems. This is the work of the Government Drug Strategy Team created for this role to provide a strategic approach to our drug problem and provide a tailor-made programme for Gibraltar.

1240 The Government has also announced that it is to launch a major initiative aimed at combating Gibraltar's drug problem. Steered by a dedicated Drug Strategy Team, this will include aspects of law enforcement, prevention, treatment and harm reduction. The initiative will begin with a comprehensive analysis of the current scale of the problem, making use of data

1245 from a Drug Strategy household survey and from a drug/lifestyle survey currently being carried out or to be carried out in Gibraltar's schools. These two surveys will enable the strategy team to identify trends and patterns, to identify priority issues and to develop and evaluate effective policy and programmes. In addition, a new website will become a reference point for all drug-related issues.

1250 The residential facility at Bruce's Farm will be refurbished in order to expand its range of services and a new, ground-breaking community-based programme will provide an extensive outreach, referral and aftercare service. The new initiative, which is the first for nearly 20 years, will make a strategic and comprehensive attack on the problem and I am proud to be leading it.

Addiction, however, is not a portfolio and therefore it will not pass to the Health portfolio,

1255 but we do recognise that the treatment of addiction requires input from health professionals also.

The Minister for Housing allocated a 2RKB apartment in the South District to Bruce's Farm. There have been six tenants who have made use of the flat since 2015. The reason for this is mainly attributable to tenants remaining in the flat in question for up to a year at a time, especially those with precarious personal circumstances, hence why we are hoping to extend this facility to larger premises. The address of this flat – and this is the point I was making to the

1260

hon. Lady – should not be further made public because of the drug/addiction and recovery

anonymity concerns, and neighbours also living in the area. That is why I asked for her to refer to it as the South District.

1265 The first tenant moved from Bruce's Farm into the property was in January 2015. The property was identified as an intermediate care home for service users who had successfully completed their treatment programme at Bruce's Farm. The primary purpose of this service was to give our homeless patients a safe and drug-free accommodation for a maximum of six months upon successful completion of a residential treatment period at Bruce's Farm.

1270 At present, because the property requires a full programme of works to make it habitable again, there is no tenant residing in the property. However, there is a full programme of works already in the planning stage to fully refurbish the flat, although we are looking to obtain a larger property as part of future plans to extend this aftercare service.

1275 An intermediate care home provides a crucial element in the treatment journey for many of our patients, some of whom, by virtue of their erratic, impulsive and destructive behaviour during their active addiction, have been left homeless, penniless and devoid of meaningful human relationships. The service ensures that our programme approaches addiction in a holistic manner and that our service users feel supported throughout their treatment experience as both an inpatient and an outpatient.

1280 If the client does not complete the 12-week programme at Bruce's Farm or drops out, he or she is offered one-to-one counselling sessions and also the opportunity to be seen by the Bruce's Farm regular GP who specialises in drug addiction, who would, if required, prescribe any medication the client may be in need of – and hon. Members will know that we have very recently introduced that.

1285 Clients will also be advised to go to either the AA or an NA group, or to approach a sponsor. A sponsor is a senior member of AA or NA who has been in recovery for usually at least a year. Sponsors act as mentors and help people in such situations to navigate membership, answer questions, work on the 12 steps and offer each other accountability.

1290 Presently there are a total of three active counsellors in service. Government will, in coming weeks, be employing two additional qualified drug counsellors so that, for the first time, a tailor-made drug rehabilitation programme for young people will be launched.

1295 Bruce's Farm has an official complement of three counsellors, although for the period of the last six months only two of the counsellors have conducted counselling work. The third active counsellor works from the City Hall Community Rehabilitation Centre. The same counsellor also forms part of the Drug Strategy Unit.

1300 **Hon. Ms M D Hassan Nahon:** Mr Speaker, thank you for that very erudite and longwinded answer, but the fact of the matter is that we have a manifesto commitment here from the GSLP on page 93/2015 and now we are hearing all about this vision and confidence and 'how much we are going to create and nothing is going to be in isolation and we are about to launch'. And it is all about to happen three months before an election, when you can see the six points that the Government promised: the first one being adoption of a drugs-free workplace – announced but not enforced; enhancement of secondary care unit – not completed, not done; the introduction of a new dependency service at HMP Windmill Hill – we know that has not happened as I asked questions to the Minister for Justice just a couple of weeks ago and we know that a new dependency service has not happened; arrest referral protocols – not happened; and a drugs programme developed with the Ministry of Justice and the Court Service in conjunction with Social Services in order to join up all aspects of the drug problem in Gibraltar, which will include the deployment of more drugs co-ordinators – where are the drugs co-ordinators, where is the support? Where are all these commitments three months before a General Election, just as the Chief Minister proudly says that he is about to launch these wonderful new projects?

Mr Speaker: Is there a General Election taking place in August? *(Laughter)* In August, is it? Or the beginning of September? The end of August? Three months?

1315 **Hon. Chief Minister:** No, there is not, Mr Speaker – although hon. Members think that there is.

Where are all those things? Well, Mr Speaker, all those things are the things that are being done, all the things that I have read out to the hon. Lady. I have given her a very full answer. She complains that I am bringing all of her questions together. Well, I am doing so in order to give her a very full answer. When I give her a very full answer she complains I am longwinded. If I do not give full answers, they say that we are not transparent. Mr Speaker, this is really a Hobson's choice. Hon. Members make it impossible for us to give them information without being criticised or not give them information because we will also be criticised.

1325 So, whether we are considering issues relating to security, issues relating to our concerns to expose Gibraltar or our concerns about individuals, we either are called longwinded or are told that we are not transparent. I have been completely transparent with the hon. Lady. I have told her all of the things that we are doing in this particular subject area.

I disagree with some of the characterisations that she has presented, but I do respect that she had written down that supplementary and she needed to read it.

1330 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I did not have to read the supplementary; I just had to look at the manifesto and check that everything in it has not been completed.

1335 **Mr Speaker:** No, but if you look at the rules of questions, a manifesto is not supposed to be read as part of a supplementary. But please carry on.

1340 **Hon. Ms M D Hassan Nahon:** Mr Speaker, the Chief Minister can tell me in his Oxbridge English the answer – longwinded, short, mixed, bunched up, separately, however he wants. The fact of the matter is that these commitments have not been honoured and these people, who are desperate for the type of treatment that they need, land on my lap.

It is not 'rumourology', as I get told often in this House, it is a fact, and I am willing to tell him behind the Chair, as I tell the Minister for Justice and himself sometimes ... I give him the names of people who are desperate for help and they are not getting it. However beautifully he wants to relay his answer, these people are not being taken care of and these commitments are not being honoured. I have first-hand experience and I deal with these people every day, so that the Chief Minister can tell me with a straight face that these things are happening, because they simply are not happening, Mr Speaker ...

I want an honest answer in plain English why they have not happened and a clear commitment that they are going to happen.

1350 **Hon. Chief Minister:** Mr Speaker, I do fear that the hon. Lady's blood pressure seems to be rising for reasons which are really unrelated, I think, to the matter that we are discussing.

1355 I think that she is wrong to get up and characterise the way that I speak English as Oxbridge English. I was taught English in the same comprehensive that she was taught English, except in the boys' version, and I am very grateful to the teachers who set me on my way in that respect, so I will disregard her attempt to insult my ability to articulate in one particular way or another. *(Interjections)*

1360 The hon. Lady says that things land on her lap every day and that she is dealing with these people who come and see her. Well, Mr Speaker, I am sorry to say that is what she is paid for. She is paid £36,000 by the taxpayer and one of the things she needs to do to earn her money is see constituents. For every five people who go and see her, 50 come to see us; for every two who complain to her, 200 complain to us; and for every three who tell her that we are doing not a bad job, 300 tell us that we are not doing a bad job. That is a reality.

1365 As I was saying to the Hon. Mr Feetham before, I fully accept that we cannot keep everyone happy all of the time – of course not, and it is not our job to keep everyone happy all of the time. This is an area of important responsibility. We think we are discharging our obligations here

better than before – better, in fact, than the people whose record she defended. The hon. Lady has to realise that she holds ... I do not know whether she wants to continue to shake her head at me and mutter under her breath whilst I give her the answer, and I know that it makes her feel uncomfortable to be reminded, although the others might be comfortable to hear me remind her, but she was elected with their votes. In other words, she is in this House because she went to the electorate and said, ‘The GSD do things better: give me your vote.’ They got a very low number of votes, as she knows – a historic low number of votes in a two-horse race, the lowest number of votes in a two-horse race since elections are being held in Gibraltar – because of the record that she defended. She has to recognise that that is what she said in a general election. She defended the record of the GSD at Bruce’s Farm and in dealing with drug addiction.

Mr Speaker, I think that if she asks all of those people who go and see her whether things were better under the GSD – i.e. the people whose record she defended in a general election and indeed in a by-election – or whether things are better now, where still things are not perfect and we fully appreciate that and accept that, I think she might be told, and in un-Oxford-educated or Oxbridge English, as she characterised my speech before ... she might then feel the slight ‘chascaso’ that she will be told that the record of those she defended is not as good as that which we are implementing now. Mr Speaker, if she gets over that ‘chascaso’ she might then start to realise that a lot of what we said we were going to do we have done or are in the process of doing. She might realise that there has been something called Brexit going on. In respect to this particular portfolio, I had occasion not to take it on at the time that I wanted because I was dealing with those matters – and I know that she is generous when she does recognise the work that the Government has done in respect of Brexit.

Mr Speaker, all I can tell her is that we do feel we are honouring our commitments. Indeed, we think we are going further than our manifesto. This is an evolving area of policy. We have had a disagreement out of this House about how future policy should be made. We do think that we need to look very carefully at what possession of small amounts of cannabis leads to, but we do not think that legalising the possession of small quantities of drugs – a.k.a. all drugs – is a good thing for this community. That means that the hon. Lady represents permitting people to be in possession of small amounts of heroin, cocaine or methamphetamine, etc. That is not what we consider to be a progressive policy. We do not think that that makes sense.

Mr Speaker, honestly, genuinely and with all the affection that I have for her, I tell her that she needs to reflect carefully on the accusations that she has levelled against the Government and look at the work that we are doing in this particular field, look at the good work that has been done, look at the levels of addiction and at the levels of recovery. As with unemployment, I will not rejoice whilst there is one person who becomes addicted, whilst there is one person whom we cannot help or have not helped or have yet to be able to help, but I do feel that it is absolutely right and proper that we recognise that we are taking a different attitude, that we are taking the right attitude, that we are helping a lot of people and that this is the right approach to follow.

And this is not, Mr Speaker, if I may say so, with respect to the hon. Lady, about manifestos. This is about real lives. This is about people who are going through a very difficult time. It is about people who need help. Page 93 of our manifesto four years ago to them, in real life, means nothing. With every box ticked, every obligation completed and every commitment delivered, that means nothing to an addict who needs cold turkey, and those are the people we are here to help. I commend that attitude to her and I am happy to work with her, if she wants to change her approach, to continue to find the best solution for such people.

Hon. Ms M D Hassan Nahon: Mr Speaker, just one last question, if I may. It is interesting, firstly, to note that the Chief Minister uses my currency as an independent as a good thing when it suits and reminds me of my past in the GSD when it suits as well, but we can leave that there.

Mr Speaker, in the words of the Chief Minister, this is an important responsibility, which is why I have raised this, because I do not believe that these commitments have been honoured in such an important responsibility.

And let me say that some of us on this side of the House – and indeed on both sides of the House – are not motivated by money. To me, it is immaterial whether I am earning £36,000 a year or not. People who know me will know that if I could help these people for free without being in this position I would do so equally. But I am not a drugs strategist and I am not a drugs counsellor, and I do not have the resources. Perhaps I would be doing these patients more harm than good by dealing with them in a way which goes beyond my remit.

Given that the Chief Minister is so convinced that he has the tools and that he has put in place these systems, I would like to ask him: where do I send these patients when they come to me, telling me that these resources are not available? If he could point me in the direction of the resources which he is so sure that he has put in place, please let me know. I am tired of asking the relevant Ministries and not getting any answers in practical terms, so please point me there so that I can make sure that these constituents are well served.

Hon. Chief Minister: Mr Speaker, I am very grateful for the hon. Lady's much more positive approach in that, she said, final supplementary.

Of course I remind her of her ability and her potential as an independent when it suits us and I remind her that she was elected here with GSD votes when it suits us. This is something called politics and in this thing called politics it is my obligation to remind her who were the voters that put her here and it is my obligation also to remind hon. Members that she decided to break with them for reasons that she has made very clear – abundantly clear, embarrassingly clear – for them and which are now on record, and anybody can go back and see all the things she said about them, which are much worse than the things that she has yet said about us. Of course. This is politics and it is my obligation, on behalf of my team, to remind people of both of those things.

I know that we sometimes wish to look at the world with rose-tinted spectacles, but believe me the world that looks back at us and the world from which we have to defend Gibraltar is not one which it is easy to navigate with rose-tinted spectacles.

Mr Speaker, the hon. Lady rightly says that she is not a drug strategist – and neither am I – and that she does not have the tools necessary to deal with these issues. Neither do I, Fabian Picardo, have those tools. She is not a drug counsellor and neither am I, but I have read to her in detail, in an answer that was so full that she decided to call it longwinded – perhaps because it was detailed – where the counsellors are. They are at Bruce's Farm; there are two of them, not three. I have told her that there is going to be a third one now at City Hall. So she can refer people to those drug counsellors.

The hon. Lady had the good grace to refer me to a case that she had been dealing with where she, I think, had done a very good job of trying to assist one particular family and she alerted me, and I think the Minister for Health also, to some failings that she had found in the system. Those, we hope, are being addressed, but short of the three of us becoming drug counsellors and drug strategists – which is not going to happen – we have to rely on identifying from her and from the many reports that we get also where the problems in the systems are in order to be able to try and ensure that those problems do not arise again.

Mr Speaker, on this, more than perhaps on anything other than the international issue, we are all in it together, and really an attempt at one-upmanship on this does not get us anywhere. When I took this portfolio I took it for a particular reason, which I was very frank and open about and the hon. Lady may remember. I said during the course of my press conference that I have children and I want to ensure that I have done what I can to ensure that Gibraltar is a safer place, to stop children from falling into the traps that drugs present and the dangers that they lead to. I will always want to do more and wish to do more – I am often attacked for spending too much money at the same time as I am attacked for not doing enough – and unfortunately

1470 the only way I can do it is by spending more. But despite that also difficult political hypocrisy that I need to navigate – I say too much or I say not enough, I spend too much or I spend too little and do little – I think that we are not navigating the maze badly.

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

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Hon. E J Phillips: Mr Speaker, just one question – hopefully my blood pressure will not rise and I take that warning. One point of clarification in respect of the answer. I know that the Hon. Chief Minister invited the Lady opposite to anonymise, effectively, the name of the location of the secondary care – or, as he described it, aftercare – when in fact actually the manifesto
1480 discloses the address, oddly, and therefore every single person in Gibraltar who received the manifesto during the last election will know the address of the aftercare service. But I appreciate he is probably quite sensitive about the address and therefore we should continue to anonymise the location of this address.

Taking the point that the hon. Lady makes in relation to secondary care and indeed Bruce's
1485 Farm, it is right of course that it is the responsibility of the Government, indeed the Chief Minister, to ensure that this community is safe and secure. Part of that obligation is also to ensure that secondary care has, as has been promised ... availability for 12 persons, which is a commitment that they promised back in 2015 which has not been adhered to. Likewise with Bruce's Farm, where they undertook in 2015 a full refurbishment of Bruce's Farm, which again
1490 the Chief Minister has repeated his commitment to today. It has only been four years, but I put it to the Chief Minister clearly what he is doing is repeating previous commitments and not providing this community essentially with comfort that those two projects will lead to fruition in the next six months and in fact this is going to roll over until the next election.

Hon. Chief Minister: I am grateful to the hon. Gentleman because his last remark suggests
1495 that he believes we are going to win the next election and therefore I do think that betrays his view of what the bookies would likely give him if he were to seek to bet on himself – but given the recent arrests in Spain for match fixing, I recommend he does not go into the bookies to bet on himself.

1500 Mr Speaker, he is absolutely right, the address is in the manifesto. That is why I think I was quite gentle in asking the hon. Lady not to repeat the address. I did not in any way say that she should not; I just invited her not to.

One of the issues that I think is important that we understand is that – and the hon. Lady alluded to it – we are not drug counsellors and we are not drug strategists, and the great
1505 difference between our system and perhaps others ... and one of the criticisms I levelled against the hon. Members in 2011 was that when you are in Government sometimes you use the resources of the Government to draft your manifesto, and that is a big no-no. In other words, you are not allowed to use the designs that the Government has for the new Ince's Hall auditorium in the GSD's manifesto. The hon. Gentleman knows – in fact, I think he was then in
1510 the PDP and might have shared our view at the time – that it was wrong therefore for the GSD to use Government resources to prepare its 2011 manifesto.

There is no better piece of evidence that we did not use Government resources to prepare our 2015 manifesto than the fact that we made a reference to the address, because the counsellors told us, 'Look, you shouldn't have done that – just don't repeat it.' I think,
1515 unfortunately – 'unfortunately' I say advisedly – the only people who continue to look assiduously at our magnificent 2015 manifesto are the 17 people in this room, and I very much look forward to continuing to have debates about it going forward, especially given how much I know we are about to complete that manifesto. But when you do things with the best will in the world you sometimes do them in a way which the experts might advise you not to. So you are
1520 hitting at the right target, you are saying, 'I am going to do this in this particular way,' but you express it in a way that next time they might say, 'Actually, you should not express it in that way

and you have now become the Minister' – in some instances, you have now become the Minister again – 'and my advice would be that from now on, as Government, you do not refer to this, you refer to that,' and that is the reality of what happened with that particular address.

1525 The fact that we do not have a facility for 12, Mr Speaker, is what we are trying to address, but there are again competing imperatives. If the hon. Lady, in her guise as Minister for Housing, had given us another two four-bedrooms, one of the things that hon. Members would be saying is, 'Why has the four-bedroom list not gone down by x, y, z, and why are there so many empty properties?' because these properties sometimes lie empty – they lie available but empty.
1530 Sometimes they do not lie empty; sometimes they are constantly entailed by users and then they have to be empty once they are being refurbished. So, again, all of these competing imperatives come into play. This is what has happened in relation to Bruce's Farm.

One of the key issues is: how do you deal with the refurbishment of Bruce's Farm? I do not know whether hon. Members are aware, but we recently had a conflagration at Bruce's Farm
1535 and we therefore had to do some emergency repairs to one part of the place, but we do not want to close it down because there is a constant use of Bruce's Farm, although not constantly full. There are two wings and one is male and one is female, so whilst you have got one of each you cannot start the refurbishment, and so you are really caught in a difficult situation because you can paint and we have painted, you can do up one room and we have done up one room,
1540 but what Bruce's Farm really needs now is that full refurbishment which we are very keen to pursue.

The advice we have got and what we have gone back against – I think this is now going back some time and the hon. Gentleman will understand what I am trying to explain – is that the works we are going to do are going to be so disruptive to the users that they will contribute to them not being able to complete the 12-step programme. So it is a question of biting the bullet
1545 and saying, 'Right, I am closing Bruce's Farm for a year.' The consequences of that are very difficult. We have not got another Bruce's Farm. There is a place called Ince's Farm that we might try and compulsorily purchase and use. I understand it is magnificently done up and has even won awards as a result of the moolah that has been spent on it. But anyway, Mr Speaker –
1550 I say that in jest – the fact is that we have not got another Bruce's Farm, so we are caught in the vice of trying to deal with issues like this.

We can play this for party politics, if hon. Members like, and that is the easiest thing to do, actually, to play it for party politics, but the hardest thing to do is to actually concentrate on how we get this right and how we deliver it. It is not for want of delivering that it is not being
1555 delivered. It is for want of space, of the ability to move the service and it probably does require to be done in different stages and for the service to be unclustered in a serious way. In other words, cold turkey happens somewhere else, not at Bruce's Farm, the 12-step programme be transitioned in some way and Bruce's Farm to then become available in a new way. I point the hon. Member to some of the things I have said in the recent statement we have made about
1560 how we want to transition the service, because that might enable us to do some of that work, but this is not – to take the non-Oxbridge terminology – a '*echar un huevo a freir*'.

Hon. E J Phillips: Mr Speaker, just insofar as the answer to that question, is the Government experiencing similar problems when it comes to secondary care? The concern, I think, from what
1565 the hon. Lady said and from information I receive, is that secondary care has to be so robust because the triggers are there for addicts to effectively relapse, and therefore the support is really required at that level, so when people are effectively released from voluntary arrangements at Bruce's Farm or otherwise, going into secondary care is more important because they can reconnect with their community and therefore can suffer from the triggers
1570 that would reintroduce them to drug addiction and drug problems. Therefore, do the same problems that – I use word advisedly – 'plague' Bruce's Farm also plague secondary care and the facility of aftercare for those people?

Hon. Chief Minister: The Hon. the Minister for Health reminds me, rightly, Mr Speaker, that I should lace everything I am saying by a reference to the fact that we have recruited a doctor, a GP, in drug misuse who is providing excellent support now at Bruce's Farm. Indeed, the advent of a GP at Bruce's Farm is a new and very positive step in the right direction.

The Hon. Minister for Housing reminds me she was also Minister for this portfolio for a significant period of time and that one of the issues that we have been able to also resolve in a different way is that although the property in the South District has not expanded to be larger, a new facility has become available at Ocean Views which is also an independent flat which is used to reintegrate people into living on their own at Ocean Views post cold turkey, and the issue is should cold turkey continue to happen at Ocean Views or should it be taken out of Ocean Views, and that it is also possible that Bruce's Farm organise for people, where the circumstances are such that we are able to, to move directly into a new Government tenancy. And so not everyone is going to this facility in the South District, not everyone is going to need to go to the facility in the South District, whether expanded or not, because they may be able to go into a one-bedroom which we may be able to organise, which the hon. Lady has been very alive to and has done on a number of occasions. So that is happening.

But then there is another issue, which is: what happens to those people? You provide a flat, but what happens to those people when the moment comes when they are about to relapse? Who do they fall back on? What is the support network? I was referring the hon. Lady to mentors in AA and NA and I was referring to the counsellors who do a hugely important job in that respect. Indeed, Mr Speaker, they do not work for the Government and they have no obligations but a hugely important part of the fabric of our community are the families and how the families also support one of their own who finds himself in that situation. I am not suggesting that they should be part of the structure of the problem – the Government is not entitled to rely on the families – but the reality of our community is that, thank goodness, we do have the families who are sometimes able to provide that help. In some instances, addicts have pushed away their families or they may not have families, which is an even more difficult situation, and in those circumstances one of the key issues that we need to determine is how we deal with issues relating to addiction and counselling going forward. That is extraordinarily difficult and there is no easy answer.

What I am trying to share with the House and which I think I have shared before – in the press release that we recently made on the subject I think it does come across – is that you need to take all of these things into the community in a non-judgemental way. We have a place called the Community Mental Health Facility and he will know that they are the backup for people who have been at Ocean Views and who need to continue to have support in respect of matters of mental health. Sometimes, those who are subject to addictions also rely on the Community Mental Health because they have had some element of mental health issues manifesting during the course of their addiction, but there are some who do not.

And so the wider issue is how do you deal with that in the community, because the bigger underlying problem is not the addicts who go through Bruce's Farm, is not the people who need to cold-turkey at Ocean Views; the bigger underlying addiction problem in our community is in middle-class homes throughout the land. It is manifesting in the abuse of drugs in a small way, usually at home – people who then do not interface with the Police in any way. They are not out on a Friday night making a nuisance of themselves and getting themselves arrested, repeat offenders that he and I might see, in the course of a different practice out of this place, in the courts etc. Those are the tip of the iceberg. The problem is the person who is smoking cannabis at home, the person who is taking cocaine at home, the person who is taking stronger drugs at home or indeed the person who is addicted to alcohol and taking it at home, and the health problems that might manifest and indeed the social problems that might manifest.

That is why I told the hon. Lady that there is no such thing as an addiction portfolio in respect of one of the questions that she put and that there is no question of that moving to the Health portfolio, but there is certainly an input from the Health portfolio in respect of what happens in

respect of dealing with addicts. It is one of the key reasons why I created the Ministry of Health, Care and Justice, because those three things together do principally deal with all of these areas of concern. The Hon. Member will know, like I do, that indeed, in respect of those I describe as the tip of the iceberg they manifest in court, they manifest at Social Services, they manifest at the Hospital, they manifest with the Police and you have got a number of families where you unfortunately see them manifesting in that way generation after generation. Joining up the service under one Minister I think is an attempt to deal with that.

But how do you deal with the issue of this wider addiction in our community in a way that is non-judgemental and does not require people to go to Bruce's Farm? Bruce's Farm has become like the KGV or Ocean Views of mental health: it is the place where you go when you are almost out in the open as to your addictions. There are a lot of people who need help who are not out in the open about their addictions and who will not seek help if they have to come out into the open about their addictions. That is a very tricky area and we are looking at what we can do in order to set something up which in a non-judgemental way provides the assistance and the help that those in my view many hundreds of people need, which is not what the tens of people who have become fully-blown addicts need. They need a different, more structured, more pointed care, but there is a need for something else for this wider cross-section of the community.

That is one of the key drivers behind the household survey and also indeed behind the school survey. The school survey will not just tell us about addiction in the schools. That seems to be the red flashing light of what a school survey is about. It is not so much the reality of what a school survey is about, although that is a hugely important part of the data that you will get; the children are more likely to tell you what is happening at home, and that is why the school survey is potentially hugely important.

I hope that all of those reflections hon. Members will find useful and they will find that they are made in good faith.

Hon. Ms M D Hassan Nahon: Mr Speaker, if I may – I was looking for answers and solutions and I repeat: there has been a lot of talk but not enough solutions.

The question I want to ask the Chief Minister is: does he accept and recognise that today the system is not fit for purpose? The Chief Minister and the Minister for Health know very well that I give them examples all the time of the system failing. Only two weeks ago I had to go, on a Friday night, to collect a patient who was turned away from Ocean Views and this patient ended up on the street not knowing where to go.

The system is not fit for purpose and this is why my blood pressure rises. I would like some acknowledgement of this, without so much bluster and so much waffle, in order to be able to actually do something about it, because for as long as we are so defensive about it nothing will actually get done. I want a solution and I want an acknowledgement of this, Mr Speaker.

Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, if I –

Mr Speaker: I do not want my blood pressure to rise because I am rather older than everybody, except the Hon. Sir Joe Bossano. We are now debating at great length. I am allowing it because it helps to keep my blood pressure down, but I think we ought to have a recess pretty soon as well.

Hon. N F Costa: Mr Speaker –

Mr Speaker: I do not know where the Hon. Neil Costa comes in, because there has been no question directed to him –

Hon. N F Costa: Yes, but Mr Speaker –

Mr Speaker: – and if a question is directed to him, it is out of order clearly because the questions are to the Chief Minister, but I will allow it.

1665 **Hon. N F Costa:** Mr Speaker, it is only to say that the hon. Lady has mentioned a patient who attended Ocean Views who was turned away. I would like to say that without being able to enter into the details of any case due to data protection obligations that are heavily laid on me, the factual matrix as presented by the hon. Lady is disputed. It is not that this patient was turned away.

1670

Hon. Chief Minister: I am grateful, Mr Speaker, for the clarification from the Minister for Health.

It is very important that I do say to the hon. Lady that she is wrong. The system *is* fit for purpose, but it is impossible to design a system that will deal with every case, in particular of people who are going through addiction. She is wrong and she does not understand the issues if she thinks that the system is not fit for purpose. I say that, Mr Speaker, because –

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The hon. Lady seems to get very upset every time somebody contradicts her. Let's face it, she is going to be contradicted a lot in politics and she has got to learn, if she wants to be in this game for the long run, that she will face contradiction in particular when somebody genuinely believes that she is wrong. And on something as important as dealing with people who are suffering from drug addiction she is not going to get an easy ride from us.

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She can get up and say, for the purposes of then reflecting it in a press release, that she told the Chief Minister that the system of dealing with drug addiction is not fit for purpose. If that helps her float her boat, float a press release or float her party, so be it, but it is not going to help the people who are manifesting with addiction. The careful reflections that I have made I hope will be the things that will help people who are manifesting with addictions.

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I have to tell her, Mr Speaker – again with all due respect and I am very grateful that you are giving us this leeway because this is a very important subject – that her most recent reflection, which was to say 'we are going to legalise the possession of all drugs' would not have done anything to help people who are suffering from addiction.

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Hon. Ms M D Hassan Nahon: I object, because the Chief Minister is misleading the House.

Mr Speaker: Order! Order! Order!

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Hon. Ms M D Hassan Nahon: I never said that. My point –

Mr Speaker: You are interrupting –

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Hon. Ms M D Hassan Nahon: It's not true, Mr Speaker! We have said –

Mr Speaker: Please sit down.

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Hon. Ms M D Hassan Nahon: It's not true, Mr Speaker, and it is important that the Chief Minister does not mislead the House.

Mr Speaker: Please sit down and calm yourself.

The Hon. the Chief Minister has the floor. You can ask him to give way, and he probably will. In any case, we are at Question Time when you are allowed further supplementaries.

1710

Hon. Ms M D Hassan Nahon: Mr Speaker –

Hon. Chief Minister: I am grateful, Mr Speaker. I am afraid I do not accept –

1715 **Hon. Ms M D Hassan Nahon:** Mr Speaker, it is a very grave accusation to mislead the House and say something that I have said, especially on a matter about drugs, is very clearly, black on white, that we have said small amounts of *some* drugs. For the Chief Minister, the leader of this community of Gibraltar, to say – and you have said it before – that I have said and my party has said that we want to legalise all drugs is absolutely misleading and it is not right and it is not fair.

1720 **Mr Speaker:** I would suggest to hon. Members that, given the importance of the subject, which everyone seems to agree, why doesn't somebody table a motion here on the subject and you can have a proper debate without the restrictions that, properly, Question Time, if it is to mean question time, are necessary?

1725 **Hon. Chief Minister:** I am very grateful, Mr Speaker.

It is really quite novel to have a Member get up and object as if she were in court. This is not a courtroom. We do not get up and object to each other. That is for a different forum of adversarial confrontation. Hon. Members opposite and I have had more stringent confrontations before. We never had to get up to each other to say we object. We had to make the point by points of order when they were appropriate, or not when they were not appropriate.

1730 The hon. Lady is wrong, Mr Speaker, and I stand by what I have said. The way that her party has set out her position – and she has said that they will legalise *some* drugs without telling us which she would and would not legalise – just confirms that the position they have taken is that they would legalise possession of drugs. She has not told us whether she would legalise possession of cannabis on its own and its derivatives in small amounts or what amounts, or also cocaine, or also methamphetamine, or also some of the other more dangerous drugs like heroin. These are very important things, Mr Speaker. The hon. Lady ended up having her policy characterised by us as a dangerous drugs experiment and that is what it would be: very dangerous for this community.

1740 These are very sensitive issues. The hon. Lady is wrong to say that we do not have a system of drug testing in Government. The Hon. Minister for Justice introduced a system in the Police, one of self-declaration in particular which enables people to 'fess up and they be will be helped. So she is absolutely and completely wrong to suggest that the system is not fit for purpose.

1745 She is absolutely and completely wrong in pursuing a system for the legalisation of the possession of small amounts of drugs without being careful enough to set out which drugs she would propose legalising or not.

1750 She is absolutely flouting the procedures of this House and the time has come for her to take responsibility for the way that she behaves in this House and for the things that she says out of this House. The time has come, because an election is coming, for her to be able to defend her policies in a way that is mature and properly researched. I put it to her that politics is not a game, it is not about name calling and it is about changing people's lives for the better. Those are the things she needs to concentrate on, in particular in this particular sensitive area.

1755 **Hon. Ms M D Hassan Nahon:** Mr Speaker, if I may. Firstly, when we talk about –

Mr Speaker: This is the last supplementary that I am allowing on this matter. I think it has been discussed at great length this afternoon. We have had a debate, not Question Time, at great length. It is the last supplementary and then we are going to have a 20-minute recess.

1760 **Hon. Ms M D Hassan Nahon:** Mr Speaker, when the Chief Minister talks about responsibility I find it hugely hypocritical because he keeps referring to my party wanting to legalise drugs. We have never mentioned the L-word, the legalisation of drugs; we have just discussed decriminalising some small amounts of some drugs. Therefore, the level of responsibility lies on him and the misleading of the matter lies on him.

1765 And when he talks about being responsible and mature in politics and in Parliament and not name calling, I suggest he takes that example for himself after his despicable characterisation of Mr Roy Clinton, the hon. Member, as an elephant.

1770 **Hon. Chief Minister:** Mr Speaker, I do think I characterised the hon. Gentleman as ‘the King of the Swingers and the Jungle VIP’ almost in the way that I presented the view that I have; and, given the affection that the Hon. Mr Feetham set out for elephants, I did not think I was mischaracterising him in a way that was bringing him up for ridicule – but the hon. Lady obviously took it in that way.

1775 Mr Speaker, we can describe the actions of each of us as despicable – it is, in fact, the easiest thing to do. We can describe them as being demonstrative, as being less than prepared in the approach that we take in this House to the work that we have to do in this House. We can describe them in different ways, but the hon. Lady’s forte has been not to descend into describing people as being despicable in their actions but in trying to build bridges. Unfortunately, because her bridge does not find a beachhead this time she does not need to descend to name calling.

1780 Frankly, I think she will find it difficult to persuade people that there is an appreciable difference of any great importance between legalisation or decriminalisation. I do appreciate that they are slightly different, but she is still not telling us which of the drugs she would legalise or decriminalise possession of and which she would not. I do not know whether it is that

1785 therefore we are discovering that she has given this absolutely no thought whatsoever, that this is just another knee-jerk attempt by a new party to gain some traction by those that might invite them to listen and whom they want to reflect in a press release that they have listened to.

I do take from her entirely that the responsibility lies with me. I was elected for the responsibility to lie with me. The responsibility is a heavy one and it lies on all Ministers on this

1790 side of the House and it is important that people understand that we discharge that responsibility with great care, that we discharge it with great sensitivity and that it is indeed a great honour to have been entrusted to discharge that great responsibility on this side of the House – something that she has not yet enjoyed or endured.

1795 **Mr Speaker:** The House will now recess for 20 minutes.

*The House recessed at 5.30 p.m.
and resumed its sitting at 6.05 p.m.*

ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS AND THE GSB

Q92/2019

Mobile phone roaming charges – Impact of Brexit

Clerk: We continue with questions and we commence with Question 92. The Hon. T N Hammond.

1800 **Hon. T N Hammond:** Mr Speaker, what impact on mobile phone roaming charges does the Government anticipate Brexit will have?

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

1805 **Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano):** Mr Speaker, it is anticipated that Brexit will not have an impact on the roaming charges.

Mr Speaker: Next question.

**Q93, 96 and 119-125/2019
Supply and agency workers –
Numbers; regulations; costs**

1810 **Clerk:** Question 93. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government provide a schedule of payments made to each individual business or company entity providing supply workers as at the end of each financial year as from 31st March 2012?

1815 **Clerk:** Answer, the Hon. the Minister for Economic Development and Telecommunications.

Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, I will answer this question together with Questions 96 and 119 to 125.

Clerk: Question 96. The Hon. L F Llamas.

1820 **Hon. L F Llamas:** Mr Speaker, can the Government state how many supply workers who have been continuously working for over 52 weeks carrying out the same work as Government employed counterparts do not receive the same rate of pay and conditions as their Government-employed counterparts?

1825 **Clerk:** Question 119. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, how many agency workers were working in Government departments, agencies, companies and authorities on the following dates, 1st September 2018 and 1st December 2018, setting out the department, agency, company or authority?

1830 **Clerk:** Question 120. The Hon. D A Feetham. (*Interjections*)

Hon. D A Feetham: Yes, but he has not answered. I am going to ask them together with – (*Interjection*)

1835 **Hon. Chief Minister:** You must have been thinking about conversations you ... (*Laughter*)

Hon. D A Feetham: Oh, he said it in answer to somebody else's question? Oh, I beg your pardon.

1840 Mr Speaker, of the agency workers working within Government departments, agencies, companies and authorities on 1st September 2018 and 1st December 2018, how many were providing short-term cover for permanent employees, setting out the reasons for that cover?

1845 **Clerk:** Question 121. The Hon. D A Feetham.

Hon. D A Feetham: Why did the Government amend Regulation 8(2) of the Agency Workers Regulations 2012 in 2013 in order to raise the qualifying limit from 12 weeks to 52 weeks?

Clerk: Question 122. The Hon. D A Feetham.

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Hon. D A Feetham: Since the Government introduced the Agency Workers (Amendment) Regulations 2013, how many agency workers have been able to take advantage of the 52-week qualifying period in Regulation 8 of the Agency Workers Regulations 2012 in order to acquire the same rights as their permanent counterparts?

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Clerk: Question 123. The Hon. D A Feetham.

Hon. D A Feetham: Since the Government introduced the Agency Workers Regulations 2012, please state the amount paid to agency companies in relation to the supply of agency workers in the Civil Service and the public service in each of the following years, providing a breakdown by company: 2012, 2013, 2014, 2015, 2016, 2017 and 2018.

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Clerk: Question 124. The Hon. D A Feetham.

Hon. D A Feetham: What public services have been contracted out to companies that engage in the supply of agency workers in Gibraltar since 2012 and what has been their cost to the taxpayer in each of the following years, providing a breakdown by company: 2012, 2013, 2014, 2015, 2016, 2017 and 2018?

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Clerk: Question 125. The Hon. D A Feetham.

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Hon. D A Feetham: Will the Government provide the Opposition with all the statistical information the Cabinet received when it considered the issue of agency workers during the week commencing 21st January 2019?

Mr Speaker, I hope that, bearing in mind how these very detailed questions have been bunched up and the number of questions, I receive a detailed, thorough answer to all the questions that I have asked the Hon. Minister.

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Hon. Chief Minister: As always.

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

Hon. Sir J J Bossano: Mr Speaker, the payments in respect of relief cover by contractor and financial year were as follows.

Beta Services: 2012-13, £874.50; 2015-16, £14,840; 2016-17, £39,428.70; 2017-18, £682,648.64; 2018-19, £1,059,768.84.

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Rock Administrative Services: 2014-15, £355,041.42; 2015-16, £241,047.24; 2016-17, £143,843.84; 2017-18, £124,203.65; 2018-19, £83,471.71.

S & K Recruitment Business Services: 2012-13, £34,479.71; 2014-15, £1,137,277.60; 2015-16, £1,861,711; 2016-17, £1,953,194.40; 2017-18, £1,716,439.18; 2018-19, £1,359,869.03.

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And by calendar year as follows.

Beta Services: 2012, £4,240; 2015, £4,987.50; 2016, £25,040.60; 2017, £413,785.38; 2018, £1,124,531.57.

Rock Administrative Services: 2014, £280,214.27; 2015, £252,734.67; 2016, £169,642.11; 2017, £130,211.20; 2018, £103,682.18.

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S & K Recruitment Business Services: 2012, £57,133.18; 2013, £1,790.60; 2014, £656,736.11; 2015, £1,844,982.29; 2016, £1,858,804.39; 2017, £1,840,537.67; 2018, £1,540,407.73.

There is no record kept of the pay of supply workers during their supply period but many were able to obtain employment in public sector vacancies as such vacancies arose.

1900 The numbers providing relief cover in the months of September and December 2018 in different areas of the public sector were as follows.

September: Airport 4, Borders and Coastguards 1, Care Agency 14, Court Service 1, Department of Social Services 4, Economic Development 10, Education 3, Employment 5, Fire Service 1, Electricity Authority 1, Health Authority 39, Housing 6, Human Resources 1, Law Office 3, Driver and Vehicle Licensing 4, Port 1, Post Office 6, RGP 2, Sports and Leisure 2, Statistics Office 3, Income Tax Office 9, Tourist Board 11, Treasury 28.

1905 December: Airport 4, Borders and Coastguards 1, Care Agency 13, Court Service 1, Social Services 4, Economic Development 9, Education 3, Employment 5, Fire Service 1, Electricity Authority 1, Health Authority 41, Housing 4, Human Resources 1, Law Office 1, Driver and Vehicle Licensing 4, Port 1, Post Office 10, Royal Gibraltar Police 3, Sports and Leisure Authority 2, Statistics Office 3, Income Tax Office 9, Tourist Board 11 and Treasury 27.

In all these cases the requesting Department was provided with relief cover due to manning shortage, but no records are kept of what caused the shortage

1915 The change in the regulation in 2013 was to align it with the timescale that enabled supplies to be considered internal Government candidates to apply for public sector vacancies.

The operation of Elderly Care and Alzheimer facilities and Domiciliary Care have been contracted out to several companies: Company 1 – 2017, £2,113,850.70; 2018, £4,385,105.29. Company 2 – 2012, £512,279.88; 2013, £712,369.30; 2014, £834,511.41; 2015, £802,323.39; 2016, £743,302.35; 2017, £584,208.84; 2018, £580,682.09. Company 3 – 2012, £187,935.20; 2013, £431,036.36; 2014, £877,671.64; 2015, £1,306,173.37; 2016, £1,230,118.11; 2017, £1,126,971.84; 2018, £1,713,187.99.

The statistical information considered by Cabinet on the issue of Agency Workers was the statistical information that has been provided in answers to questions in Parliament.

1925 **Hon. D A Feetham:** Mr Speaker, unless I am having one of those days, the one glaring omission in his answer is the non provision of an answer to Question 121, which is: why did the Government amend Regulation 8(2) of the Agency Workers Regulations 2012 in 2013 in order to raise the qualifying limit from 12 weeks to 52 weeks?

1930 **Hon. Sir J J Bossano:** Obviously he missed the answer because I say it in my original answer the change in regulation in 2013 was to align it with a timescale that enabled supplies to be considered internal Government candidates to apply for the public sector vacancies. That was the reason.

1935 **Hon. D A Feetham:** Mr Speaker, that is not a credible answer, with respect. I do not see what the connection is between the reason that he has given and the increase of the qualifying limit from 12 weeks to 52 weeks.

1940 At the end of the day, what we are talking about is regulations that were introduced in order to enable workers to accrue certain rights. In this particular case, it is the right to have the same terms and conditions, including pay, as the permanent counterparts doing the same job. So you have an agency worker who works next to a permanent member of the Civil Service, for example. If he worked doing the same job as the permanent counterpart for 12 weeks, that agency worker would be entitled to the same pay, same terms and conditions as the permanent civil servant.

1945 *They* – they are a socialist Government – decided in 2013 to increase that from 12 weeks to 52 weeks. Does he not agree with me that it is wholly incredulous for the Hon. Minister to come to this House and to say, ‘Well it had to do ... because we had to align it somehow’? In the past he has come to this House and said, ‘Well, actually, because I believed it was the right thing to do, because we had a lot of people working in this sector at this particular time and we felt it

1950 was the right thing for the Government to do in those circumstances,' or whatever, because normally he has given me ... It takes me some time, I have to say, to get to the answer, but he does provide me with a straight answer without any frills to it. But the answer he has provided me with just really does not make any sense at all.

1955 I ask him again: does he not agree with me that it is an incredulous answer that he has provided as an excuse for the increase from 12 weeks to 52?

Hon. Sir J J Bossano: I do not think answers are credulous or incredulous. If he does not want to believe the answer, it is his prerogative.

1960 I think the hon. Member has forgotten the explanation that I gave in an earlier meeting about how the relief cover was originally, in his time, limited to one particular area where they were spending something like £3 million a year and it eventually was controlled from No. 6 to try and keep it from getting out of hand. I suggested to the Government that we should provide relief cover throughout, and that happened in 2013. In fact, it appeared in every single head in the book as a token vote of £1,000.

1965 Given the fact that we were going to provide a level of relief cover which had not existed before and given the fact that we decided at the same time that if people worked continuously for 52 weeks they would then be able to have an advantage over outside applicants in being treated preferentially as internal applicants, we brought the 12 weeks to 52, which would apply to many more people than there were before and who were going to be given an advantage, 1970 which was the opportunity of being permanent as opposed to being paid in the 13th week. With Government pay and conditions they had a better chance, remembering when we go outside you have perhaps one chance in a thousand of getting the job but when you are inside, you have one chance in a couple of hundred because that is the most that there has been at any one time in terms of supply workers, and those supply workers have been entering into the system on that basis ...

1975 I also thought from the point of view of the employer it was an advantage to have had the person working rather than somebody who sometimes makes a very good impression in an interview and then does not perform as well. So people did not tend to be retained as supply workers if they were not really suitable, and people who were found to be what the Department 1980 needed ... Sometimes, in some Departments, they did not deliver and when they were moved around to others they were ...

So it was a better way of recruiting staff from that point of view, from my view. It was also a better opportunity for the applicants and therefore we felt that the advantage they were given should be on the basis of a year and not on the basis of 12 weeks. Community law allows the 1985 member state to decide how long the thing should be. We just put 12 weeks at the time because it was done automatically, copying what was done in UK without any policy decision being taken in Gibraltar. And then in 2013 the decision to increase the level of support, which was intended to help the Departments – which of course is now not going to happen because we are not going to have supplies anymore – was the rationale behind the move.

1990 Sometimes you think you are doing a good thing and you finish up being accused of doing a bad thing, but that is something that happens in politics.

Hon. D A Feetham: Yes, Mr Speaker, but as he rightly points out, in the UK it was 12 weeks. They increased it to 52 weeks, now they have decreased it back again to 12 weeks as a 1995 consequence of criticisms that have been levied against the government in relation to this, and it really does smack of an attempt – by a socialist Government; this is the irony – of attempting to really make it more difficult for ordinary working-class people to acquire rights.

Mr Speaker, it is not only the fact that they increased it from 12 to 52 weeks. It is also the fact, and I would like him to explain this as well, that by the simple method of shifting people 2000 from one Department – sorry, not from one Department; indeed, from one Department as well, but from one employer – for example the GHA, into a different employer, the Care Agency, then

the clock would again begin to run from zero. So, just to give an example to those listening, if somebody is working in the GHA and has been working there for 50 weeks, you have increased it from 12 to 52 before they can acquire the same rights as their permanent counterparts and at week 50 that person is then moved from the GHA to the Care Agency, which is a different employer. The problem begins to roll over again. This is the practice of the Government. It is a practice that ... Not only have they increased the time limits from 12 to 52 weeks, making it more difficult for people to acquire their rights, but they have actually maintained a policy of trying to deprive people from even acquiring rights at 52 weeks by shifting them from Department to Department. That is not very socialist. Does he not agree with me that that was a mistake and that is something that the Government ought to apologise to those workers for, for having treated them in that way?

Hon. Sir J J Bossano: [Inaudible] In fact, he is inventing what he is saying because the supply of workers was driven by the demand from the Departments and people only went to a different Department if one Department did not need them anymore. It was not that there was a system where somebody was monitoring with a clock and at week 50 there was musical chairs and everybody was moved around, which is what he was suggesting. That is not what was happening.

It is true that people did finish in one Department and then reappear in another Department simply because their time ran out in one Department, because the bulk of the supply that was created by the relief cover has been covering for absences which are constant in the service, which were not covered before and which are not going to be covered in future.

So, okay, the people will now, after 12 weeks, have an opportunity to the extent that they carry on after 12 weeks getting, for that period with their supply company, more money, if that happens. The people who have benefited from having had an opportunity of being in different Government Departments have had a better chance of having a job in the Government than they would otherwise have had, and many of the people who have been through the supply system finish up in Government. As the hon. Member knows, we took a policy decision to do it automatically for all those who were there at the time when representations were made to the Government – and people took to the streets and there was very strong feeling about it – and therefore clearly what we were doing, which benefited the individuals more than the 12 weeks will and more individuals than the 12 weeks will apply to now ... are the ones that had been there before.

In future, we will go to what was there in 2011, which will mean that the working class will now have to wait until a vacancy comes outside and compete with a thousand people for one job, and the employer will have to rely on picking people on the basis of their interviews and not on the basis of performance, which I believe was to the benefit of the Departments as well as to the benefit of the individual. It was a policy decision that was taken, it was taken with those criteria in mind and not any other; it turned out to be unpopular and therefore we have gone back to what was there before, which means in effect that Departments will now have to do what they were doing before. If they have three people where they used to have five because one is absent and one is on maternity leave or one is sick, then they will have to either delay their work, work overtime or produce a service that takes longer.

The provision of relief cover, which I explained before, was something that I thought we should do throughout the Government. That created a number of jobs which were being paid at a rate of pay which is the norm in the private sector and with an opportunity to join the public sector, which was a reward for the period of cover that they were getting. It is a system that has opened us to criticism and therefore we will simply go back to what we were doing before. End of story.

Hon. D A Feetham: Mr Speaker, it does not stack up. What the hon. Gentleman is saying to me is 'we increased it from 12 to 52 because actually we were doing these workers a favour

2055 because we were placing them in a more advantageous position than somebody from the
outside by allowing them effectively to get acquainted with the job and therefore get an
advantage over somebody who may apply from the outside, and therefore we felt that we
should increase the qualifying period to earn as much as the permanent counterpart from 12 to
52 weeks.' I personally cannot see the connection between not allowing somebody to earn, for
2060 the same job, what somebody permanently doing that job earns or on the same terms – which is
the whole point of the regulations – and his point, which is that those people were given an
opportunity, an advantage, in relation to people from the outside. I do not see the connection.

The reality of it is this: that these people were not being taken on after 52 weeks. There were
many people who were in fact stuck permanently in those positions for years and they were not
being taken on. They were not advertising those vacancies, so they were not taking those people
2065 on. So, what he is telling me, does he not agree, simply does not stack up and it is an excuse by
the Government to effectively justify the unjustifiable and indeed to justify the volte-face which
the Government has been forced into making because effectively it has been abusing working-
class people for the last four or five years? Is that not the case?

2070 **Hon. Sir J J Bossano:** No, Mr Speaker, it is not the case and it is a disgrace that the hon.
Member talks about exploiting working-class people when he presided over the situation where
the people we put into the supported employment company and the other companies that we
started in 2011 had been for four years, with him as a Minister, on half the minimum wage –

2075 **Hon. Chief Minister:** That is disgraceful.

Hon. Sir J J Bossano: – with no social insurance, (**Hon. Chief Minister:** Disgraceful.) no cover,
no entitlement to even the conditions of the private sector. (*Interjection by Hon. Chief Minister*)
They were even below the private sector. Fifty per cent of what was being paid in the private
2080 sector was being paid by him to several hundred people.

Hon. Chief Minister: You had to go.

Hon. Sir J J Bossano: So, what does that mean: that he was a capitalist instead of being a
2085 socialist? (*Interjection by Hon. Chief Minister*) He had left the Socialist Party by then and he had
become converted to the philosophy of a cut-and-paste party, and therefore I could not criticise
him for it because he had already changed his colours.

Hon. Chief Minister: He had gone to the dark side.

2090 **Hon. Sir J J Bossano:** But the reality of it is that I am explaining to him the decision that was
taken. We had the right as the Government to have put 52 weeks in year one. It was done at
12 weeks because the legislation was automatically transposed by copying what was done, as
much of it is, because it had very little significance – because we had very little. The idea of
2095 providing an additional support to the public sector by having supplies ...

And the hon. Member says we did not open any vacancies. Well, look, he spent the last seven
years attacking me in the House and in debates and on the television about the huge growth in
the public sector. Where did it all come from, the six or seven hundred people he says we were
ruining Gibraltar by taking on the bloated Civil Service? Where did the bloat come from? From
2100 people who were able to apply internally.

Internal applicants are always very few because people only apply internally if either they are
not very happy where they are or there is a significant difference between what they are getting
and the job that becomes vacant. They apply from the outside because of the differential which
we all know exists between the public and the private sector. That is why they apply in such
2105 numbers. We open the vacancy for AAs and we get a thousand applicants. The six or seven

hundred vacancies we have been filling have been opportunities in 2013 where the people who were supplies had an advantage (a) because there were internal candidates and had a right which was agreed at the time with the union, and (b) because they had an advantage over an outsider because of their experience, and the Departments had an advantage in selecting people when they already some knowledge of their abilities.

That was the reason for doing it. If we had wanted to do something to reduce the costs, all we needed to do was not employ them in the first place, not create the supplies, not put the relief cover, and the 12 weeks it would have been there, in theory, for the very few people who were then in that employment.

I accept that what we did with the intention that it should provide a benefit has not been seen that way, and therefore we are not going to be doing it anymore. But to suggest that somehow I have to apologise for not being a socialist – from the guy who deserted the Socialist Party to go to the other side because he thought he would go a lot further on the other side, which with the benefit of hindsight, he may regret having done, is something I cannot take from him.

Hon. Chief Minister: And for doubling people's wages.

Hon. D A Feetham: Mr Speaker, I may be on this side – I have never changed my principles. *(Interjection by Hon. Chief Minister)* He is on that side and he has spent the last eight years abusing and exploiting agency workers. That is the reality, Mr Speaker. And when he talks about the GSD's record in office compared to their record, well, I cannot recall the GSD ever causing such a furore in the community that the workforce actually went out to demonstrate against the Government at the way that workers were treated. That has happened under *his* watch, the socialist. *(Interjection by Hon. Chief Minister)* On his watch that has happened. *(Interjection by Hon. Chief Minister)*

Mr Speaker, let me move on to another point, to explore this Government's socialist credentials.

Mr Speaker: And you will put that in a question.

Hon. D A Feetham: Absolutely, I am going to put that in a question, Mr Speaker, of course I am.

Unfortunately I have not been able to make the calculations – and he does it on purpose, of course, giving me the answers in the way that he does so that I cannot make the calculations on the spot. Of all those millions that have been paid to all those agency companies over the years since 2012, how much ended up in the pockets of the agency companies and how much ended up in the pockets of the workers, Mr Speaker? Can he tell me at least that?

Hon. Sir J J Bossano: Well, I can tell him, Mr Speaker, considerably less by a huge amount than was going into the pocket of the supplier when he was in Government. **(Hon. Chief Minister: Hear, hear.)** Considerably less, because in 2008 the hon. Member signed an agreement with a company to supply workers – which is one of the companies that I mentioned here – and at the time when the wages of the workers was in the order of £4 or £4.50, they were paying £14 to the supplier. That differential was cut down by us even though the company at the time was given a contract for 10 years which ran out in 2018, but there was a break point in the middle and we negotiated a reduction in the amount that we paid the company, even though the minimum wage had gone up because we had put it up and the social insurance had gone up.

So, in fact, the differential which he keeps on saying is running to millions ... I can tell the hon. Member that the employer pays the social insurance, the annual leave, the sick leave and the public holidays and is left with a margin of 5% – and of course they were only able to do that because we had sufficient volume to make it a successful business. If it had been a much lower

2160 volume ... This is why all these companies will no longer be able to survive because now we are not taking on supply workers and therefore either they will have to have a much bigger margin, which we are not prepared to pay, or they will have to have a lower margin and many more people, which we are not prepared to have.

Certainly he is in no position to criticise that, because I can tell him that I have got the figures for 2008 when the contract was signed by him. *(Banging on desk)*

2165 **Hon. D A Feetham:** Mr Speaker, me signing contracts? I have to say he does not know how Government was run at the time. To tell me that I signed a contract agreeing to pay an agency or company x amount of any money ... I never signed a contract, Mr Speaker.

2170 He has given answers today that show how misconceived the point that he has made just now really is, because he started off by explaining that when the GSD was in office we provided relief cover for a narrow part of the public service – the GHA, I think it was, in fact, when we were in government. He then said, ‘But I thought it was a very good idea and therefore I widened it to the rest of the public service and the Civil Service.’ So, by definition, those agency companies must have made much more of a mint when they were involved, during their time in government, than when we were because we only did it in the GHA; we did not do it across the public service.

2175 I repeat the question: does he know how much money went into the pockets of all those agency companies across the public service on his watch and how much money went into the pockets of those poor workers, those agency workers, exploited by his Government?

2180 **Hon. Sir J J Bossano:** Mr Speaker, the Government did not exploit any workers. I am telling the hon. Member that the margin that his Government, the GSD – for which he had collective responsibility, whoever signed the contract – provided a company that outsourced the delivery of domiciliary care. When people were getting £4.50 they gave them 10 quid on top and the margin subsequently was reduced to something like 50p. That is what I am telling him. So, if 50p is exploiting people and enriching people, then he was exploiting people and enriching them to a level 20 times more. I am willing to criticise him for it or accuse him of exploitation.

2185 Of course, people have got the right in Gibraltar to take to the streets and demonstrate, **(Hon. Chief Minister:** These days.) **(A Member:** Now.) *(Interjection)* and I have been at the end of organising demonstrations and at the end of receiving them. It happened to the GSLP as well and the [Inaudible] being socialists. *(Interjection)*

Mr Speaker: Yes.

2195 **Hon. R M Clinton:** Mr Speaker, I just have one very short supplementary. I would be grateful if the Minister could give us the name of the company he mentioned just now.

Hon. Sir J J Bossano: The company that had the contract: ADA.

2200 **Hon. L F Llamas:** Mr Speaker, I just have one supplementary, which is to do with Question 96/2019. I detected the answer was that the Government does not hold the information in relation to the actual wages received by the employees, but I have constituents who I have seen and who have shown me that they had been working for more than 52 weeks at a time – when this question was put in, back in January – in the same place, doing the same job, employed by the same supply worker, but they were not receiving the same pay conditions and leave conditions as their permanent counterparts and therefore there was a breach in the law in terms of what they were receiving and what they felt they were entitled to under the legislation. Is the Government willing to look into cases such as these, in which there has been an apparent breach according to the evidence I have been shown?

2210 **Hon. Sir J J Bossano:** I cannot give a commitment here on what he has told me, but as far as I am concerned, this is a matter that ... The employment relationship was between the supplier and the worker, but I will get somebody to look at it now that he has mentioned it.

2215 **Hon. D A Feetham:** Mr Speaker, just one final point. I realise that I am overstretching Mr Speaker's indulgence in relation to this, but I think it is an important point in the public interest – and these are questions that we posed in January which are being answered in near June. Did I hear correctly that since 2012 S&K have been paid £8 million? And does he know, out of that, how much profit S&K made since 2012?

2220 **Hon. Sir J J Bossano:** Mr Speaker, I do not know how much profit they made because I do not see the accounts of a company or what they have declared to the Income Tax and what they have paid off, but I am telling him that the margin, taking into account the wages and the fact that, for example, the company had to pay somebody 52 weeks but was paid 42 weeks – because if you take the working week in a year we only paid for 42 weeks out of the 52; the other 10 weeks were something that came out of the difference between what they charged the
2225 Government and what they paid the worker – I calculate that their net margin after their costs would be something of the order of 5%.

2230 **Hon. D A Feetham:** But the hon. Gentleman must accept that, bearing in mind the proliferation of agency companies – because there have been, over the last eight years, a significant number of new agency companies operating within the market than when we were in government – it must mean, does he not agree, that this was lucrative business for agency companies, lucrative business fuelled by the demand created in the public service by the Government in its policy of recruiting agency workers within the public service?

2235 **Hon. Sir J J Bossano:** Mr Speaker, I know that he has not had time to look at it, but he keeps on talking about eight years and I do not know whether he thought that when, in 2013, Beta got £874.50 in a year they were making a fortune or that they were making a fortune in 2018-19 when they got over £1 million. So, we are not talking about eight years unless he has not noticed the difference that there is between the beginning of the process and the end of the process.
2240 There was an increase after 2013. In some cases, companies came into the business in 2014-15 or in 2012-13, so it is not eight years. It has not been going on for eight years.

There were certainly – something I have already told him – a couple of hundred people at any one time covering jobs throughout the system, which are the numbers that I have given him. At that time, there was the business. And I have told him as well that with the level of margin that
2245 there was when he was in Government, a company could be running with fewer people on hire, because the overheads tend to be fixed. If you have got more people, then you can actually bring down the margin that the company has for operating because you are giving them more volume of work. This is what enabled us to bring down the price in the case that I mentioned of the company where, when we took over, there was a break. They had an originally fixed price of
2250 something like £439,000, I think it was, when they started in 2008, and a criteria of automatic increases for the first five years and then another five years. We came in when there was a break and the fact that we were increasing the volume allowed us at the same time to say, 'Because we are increasing the volume, we are not prepared to continue paying you the prices that were being paid before – you will have to cut your prices.' At the same time, social
2255 insurance was going up, minimum wage was going up and we did not allow them to be passed on to us.

Mr Speaker: Next question.

Q94, 95 and 97/20019
Supported Employment Company –
Numbers in employment; management of employee records

Clerk: Question 94. The Hon. L F Llamas.

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Hon. L F Llamas: Mr Speaker, how many persons who qualify for supported employment are currently unemployed?

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

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Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): I will answer this question with Questions 95 and 97.

Clerk: Question 95. The Hon. L F Llamas.

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Hon. L F Llamas: Mr Speaker, how many persons have been employed by the Supported Employment Company in each calendar year since 2012?

Clerk: Question 97. The Hon. L F Llamas.

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Hon. L F Llamas: Mr Speaker, who manages and communicates with the employees of the Supported Employment Company regarding annual leave and sick records?

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

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Hon. Sir J J Bossano: Mr Speaker, the Employment Service does not keep a record of disabilities in respect of persons registered unemployed. As I have previously explained, in the process of interviewing jobseekers and discovering the availability of vacancies to which they can be referred, every effort is made to provide support by the use of EU funds to assist in obtaining employment. This provides the flexibility to provide support for longer periods where the applicant is having difficulty in accessing the labour market for social, medical or other reasons. In the course of this process an individual may be offered engagement by the Supported Employment Company and a placement in the private sector, provided the work entailed is compatible with the individual's needs.

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The Supported Employment Company has employed the following numbers of individuals in each calendar year: one in 2017, two in 2018, and two in 2019.

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The Supported Employment Company Manager manages the Supported Employment Company and therefore keeps annual leave and sickness records of its employees.

Hon. L F Llamas: Mr Speaker, I appreciate that the Employment Service does not hold details of such information. However, there is a huge gap between the Employment Service and the actual people who do need support and employment in some way or another, and because they are off the radar they do not know where to access and they do not know who to communicate with.

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These people are lost in our community without being able to access employment, which would in turn not only make them responsible people in our community who start contributing but also give them so much in terms of health and mental stability. And at the same time, they are also faced with the lack of support from employers in the community.

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There are people who, because of their illness or because of their problems or because they may have particular learning disabilities, actually lose out on opportunities because maybe they have had a crisis with a mental illness and that has seen them lose opportunities in terms of

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employment. Employers are actually afraid of taking on people with such issues because they do not have the proper resources or the proper support to deal with these issues.

2310 These are issues which I face almost on a daily basis, Mr Speaker, and therefore I would like to ask the Minister whether this is something that can be narrowed before the next General Election so it does not become an election issue.

Hon. Sir J J Bossano: I do not know whether it will become an election issue or not; I suppose it depends whether he wants to make it an election issue, Mr Speaker.

2315 The point I can tell him is that the number we have got in the Supported Employment Company has grown every year since 2012 when the company came into existence. It has grown by one or two people a year, who are the people who are put in that company simply because it is impossible to put them in what in the UK would be sheltered employment, which I have explained to him before. In the United Kingdom, the state does not employ the people; it is the
2320 private sector that employs the people.

What we are doing at the moment is that if ... Normally, we provide a wage subsidy for maybe three months a year in order to give an incentive for a local unemployed person to be taken instead of somebody being imported. In the case of somebody who has a disability or somebody who has a social problem or somebody who has a health problem which makes him
2325 less competitive in the market, what we do is, we pay for the full year, so we give the employer ... Provided they give us a commitment that they will take him on, and if they do not take him on they will give us the money back, we provide a year's pay.

That is working in a number of cases where, in spite of all our efforts, it is not possible to fit somebody. There are usually maybe two or three people a year in that category and then they
2330 go into the Supported Employment Company, which in effect grows by that kind of level. I have given him the figures here for 2017, 2018 and 2019, which are the increases since the last time I gave it to him. This is by how much it has grown. These are the ones we have not been able to put into the normal market, but there are people we put into the normal market – not an easy thing to do. Short of subsidising the employment, I do not know what more we can do.

2335 I think some of the bigger employers in Gibraltar could be more civic minded and be willing to take them on, but they take a lot of persuading. I am certainly prepared to look at anything that he can suggest that might make us more successful in doing it.

Hon. L F Llamas: Mr Speaker, it is to do with support for employers as well as for employees, and I appreciate that many times ... I agree that it should be the private sector that does
2340 encourage people with particular needs to go into their business and make a success of it, but without the right support and without the right support network it is impossible for that venture to be successful.

With regard to Question 97, with regard to the annual leave and sick records, it has come to
2345 my attention that there is no actual liaison between employees of the company and anybody who manages that company. There have been situations where persons are not even aware that they are entitled to annual leave, so they may not even be taking their leave. It comes to the point where they come to the end of the year and they then find themselves with an excess number of days of leave, and instead of telling the person, 'Oh, by the way' – as a proper
2350 manager would do – 'you've got x number of days of leave that you can take,' they are not told. Those annual leave days are actually taken away and they are neither compensated nor allowed to take them because the time has run out.

Will the Minister look into annual leave in terms of people who may have been entitled to annual leave and have neither been remunerated or allowed to take the leave?
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Hon. Sir J J Bossano: Yes, Mr Speaker, I am grateful for having had this brought to my attention. I will ask for a report on the leave record of every single one of the people we have

got there and if there is any case where they have not taken leave and they have not been paid, they will be paid.

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Mr Speaker: Next question.

Q98-118/2019

Public finances –

Gibraltar Development Company borrowing; Credit Finance Ltd share capital; public debt; liquid reserves; Sinking Fund; GEP Ltd projects; external borrowing of Government-owned companies; renewal of Barclays borrowing facility; Government deposits in Gibraltar Savings and International Banks; GSB audited financial statements; Morocco business opportunities; Gibtelecom dividends paid to GSB; Credit Finance Ltd preference shares purchased by GSB; purchase of Sunborn bonds; Government withdrawal of £98.5 million from GSB; new £1 coin; sale of demonetised notes

Clerk: Question 98. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, further to Question W57/2018, can the Government advise from which Government-owned company did the Gibraltar Development Corporation borrow £30 million in the financial year 2017-18?

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

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Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, I will answer with Questions 99 to 118.

Clerk: Question 99. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, I think I will be on my feet for a little while.

Further to Question W57/2018, can the Government advise why it deems the terms on which the Gibraltar Development Corporation borrowed £30 million from a Government-owned company to be commercially sensitive?

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Clerk: Question 100. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, further to Question W60/2018, which was not answered, why was Credit Finance Company Ltd's ordinary share capital set at £30 million?

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Clerk: Question 101. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government please provide the total gross debt, aggregate debt after application of the Sinking Fund to gross debt, cash reserves and net debt figures for public debt for the following dates: 1st August 2018, 1st September 2018, 1st October 2018 and 1st November 2018?

Clerk: Question 102. The Hon. R M Clinton.

2395 **Hon. R M Clinton:** Mr Speaker, can the Government please advise the total liquid reserves figure and its constituents, namely the Consolidated Fund, the Improvement and Development Fund, Government-owned companies, deposits, contingencies and other funds for the following dates: 1st August 2018, 1st September 2018, 1st October 2018 and 1st November 2018?

2400 **Clerk:** Question 103. The Hon. R M Clinton.

2405 **Hon. R M Clinton:** Mr Speaker, can the Government please advise how total liquid reserves are invested/held, giving details of all bank/savings bank accounts and cash held for the following dates: 1st August 2018, 1st September 2018, 1st October 2018 and 1st November 2018?

Clerk: Question 104. The Hon. R M Clinton.

2410 **Hon. R M Clinton:** Mr Speaker, can the Government advise the balance on the General Sinking Fund on the following dates: 1st August 2018, 1st September 2018, 1st October 2018 and 1st November 2018?

Clerk: Question 105. The Hon. R M Clinton.

2415 **Hon. R M Clinton:** Mr Speaker, can the Government advise the source of the £3.6 million increase in the General Sinking Fund as from 1st April 2018?

Clerk: Question 106. The Hon. R M Clinton.

2420 **Hon. R M Clinton:** Mr Speaker, can the Government please provide a list of all Government projects for which GEP Ltd has signed contracts and their associated value, and can the Government advise how is it intended that GEP Ltd will finance such contracts?

Clerk: Question 107. The Hon. R M Clinton.

2425 **Hon. R M Clinton:** Mr Speaker, can the Government advise the total, and a detailed breakdown of, external gross borrowing of all Government or Gibraltar Development Corporation owned companies, with the exception of the Gibraltar International Bank, as at 30th September 2018?

2430 **Clerk:** Question 108. The Hon. R M Clinton.

2435 **Hon. R M Clinton:** Mr Speaker, can the Government advise if Barclays has given any indication whether or not it is willing to renew the £100 million borrowing facility that matures on 10th October 2019?

Clerk: Question 109. The Hon. R M Clinton.

2440 **Hon. R M Clinton:** Mr Speaker, can the Government advise the monetary value of Government deposits with the Savings Bank for the following dates: 31st August 2018, 30th September 2018, 31st October 2018 and 30th November 2018?

Clerk: Question 110. The Hon. R M Clinton.

2445 **Hon. R M Clinton:** Mr Speaker, can the Government advise the monetary value of Government deposits with the Gibraltar International Bank for the following dates: 31st August 2018, 30th September 2018, 31st October 2018 and 30th November 2018?

Clerk: Question 111. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government provide the audited financial statements and audit report for the Gibraltar Savings Bank for the years ended 31st March 2016, 31st March 2017 and 31st March 2018, as prepared by the Principal Auditor under section 12 of the Gibraltar Savings Bank Act?

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Clerk: Question 112. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the nature of the business opportunities it is exploring in Morocco in respect of telecoms and electricity?

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Clerk: Question 113. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the amount of dividends paid to the Gibraltar Savings Bank by Gibtelecom for the financial years ended 31st December 2016, 2017 and 2018?

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Clerk: Question 114. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the original maturity dates of the £400 million of preference shares purchased by the Gibraltar Savings Bank in Credit Finance Company Ltd and have these maturities been extended in 2018; and, if so, what amounts to when?

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Clerk: Question 115. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government advise if it or any of its owned companies or the Gibraltar Development Corporation and its owned companies have purchased any of the Sunborn (Gibraltar) Ltd euro denominated bonds, being ISIN SE0010296632 maturing on 5th September 2022; and, if so, which entity and in what nominal amounts?

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Clerk: Question 116. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise why it had to withdraw £95.8 million from the Gibraltar Savings Bank in March 2018? Was this money reinvested elsewhere or used to meet expenditure or other liabilities?

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Clerk: Question 117. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise when the new £1 coin is expected to go into circulation and has a design been selected?

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Clerk: Question 118. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, further to Question W42/2018, can the Government advise who controls the sale of demonetised banknotes and how is the sale price determined?

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

Hon. Sir J J Bossano: Mr Speaker, I understand that the loan to the GDC was provided by Gibraltar Investment Holdings.

When Government takes a policy decision it does not have to explain to the Member opposite its reasoning in arriving at this policy. The terms of intercompany loans fall into this category.

Credit Finance Company Ltd's ordinary share capital was set at GBP 30 million because the Government decided that was the level at which it should be set.

The gross and aggregate debt and value of the General Sinking Fund for the dates in question were the same as the figures provided for July.

The cash reserves and net debt were as follows: August, £87.7 million and £351.2 million; September, £76.1 million and £362.8 million; October, £112.6 million and £326.3 million; November, £109.2 million and £329.7 million.

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 source of the £3.6 million was the Consolidated Fund.

The Government will be dealing with the question of the GEP projects and external borrowing of the Government companies during the course of the Budget debate.

Barclays has indicated that they are willing to renew the facility that matures in October.

The monetary value of Government deposits with the Savings Bank on the dates requested were as follows: August, £96,271,209; September, £89,700,914; October, £130,545,447; November, £112,449,105.

The value of Government deposits with the Gibraltar International Bank on the dates requested was as follow: August, £55,373,395; September, £55,422,850; October, £70,470,333; November, £70,519,027.

The 2015-16 accounts for the Savings Bank have already been gazetted and if the hon. Member does not have a copy I will get one sent to him. We are in the process now of delivering the 2016-17 report of the accounts to the depositors and as soon as the process of delivery starts I will supply him with copies.

The business opportunities being explored in Morocco are at a very early stage and therefore no details can be provided.

The dividends paid for the year requested were £5.1 million, £4 million and £4.6 million.

I am informed that all the preference shares have had their maturity dates extended to 2019.

I am informed that Credit Finance currently holds €4 million of Sunborn euro bonds.

As explained in answer to Question 40/2018, the £95.8 million was the difference between the receipts and the payments which took place in March 2018.

It is not possible to provide a date for when the new £1 coin will go into circulation, nor has a design yet been decided.

The Treasury undertakes the sale of demonetised notes at face value plus a handling charge.

Hon. R M Clinton: Mr Speaker, if you will indulge me while I digest the answers given ... If I could start perhaps with his last answer, in respect of the sale of the demonetised banknotes – of which I know he is an avid fan, having attended the Berlin Money Fair – the Minister mentioned face value plus a handling charge. I do not know if I have it with me, but certainly you can pick them up from the post office, Gibraltar Philatelic Bureau Ltd, and he will see that the sale price to collectors is significantly more than face value. There seems to be a large, inbuilt profit – and he can correct me, obviously – to the sale/resale value of these notes. How is the handling charge calculated? If the Gibraltar Philatelic Bureau is buying notes at face for £50 and then can sell them for £200, or thereabouts – I do not have the price list with me, but it is

certainly much more than face value – there is obviously a profit that accrues to them rather than the Treasury and I am just wondering how is that handling charge reviewed. Is it to reflect the face value or the collector's value of the note, or is it just a fixed charge – in which case, would the Minister not agree with me that the Treasury is losing out on potential revenue?

Hon. Sir J J Bossano: Mr Speaker, I think this is something where the answer is that it is the way they have always done it, basically. When we go to Berlin we tend to look at what the market is paying – at what is a wholesale market – and therefore we have put our notes on sale there in the context of what we know is a competitive place in that area. But I think once people have come to buy notes over the counter at the Treasury, they have just been paying the value of the note and maybe something like £5 extra to cover the administrative cost, and that is how it has always been done.

I think when we actually negotiate with somebody to sell them a quantity of notes a price is negotiated, and in the case of the Philatelic Bureau the Government in fact has got an agreement with the Philatelic Bureau where, for selling the stamps and selling the notes of the Government, the net profit, after the expenses, is shared 50/50 with the Government.

The fact that something is on sale for a price does not actually mean that they succeed in selling it. I think some things are very misleading because there are people who will put these prices on these things and one has to see what the volume is that is actually sold.

We tend to do quite good business when we go to Berlin because there we are dealing with wholesalers who buy quantities from us and then resell them, and most of them are in Germany itself but we also get people from Asia and from the States who come to the Berlin market because it is the biggest market. But I think we could probably do better and it is something that I am looking at.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his comprehensive answer and I would encourage him to have a look on eBay, if he has got an account, and see what people are trying to sell our notes at. I am sure he would love it if we could all sell them at that price, but nevertheless they are on sale.

If I can turn to his answer to Question 115, where he said that Credit Finance currently holds €4 million – I imagine that is notional – of the Sunborn bond, could the Minister advise if I would be correct in extrapolating that, as at 31st December 2017, as per the audited accounts where they describe the company acquiring an €8 million listed bond which has the same characteristics of the Sunborn bond, is in fact Sunborn related and therefore in December 2017 they held €8 million and now they hold €4 million? Would I be correct in making that assumption?

Hon. Sir J J Bossano: I believe that is the case, yes, that the holding has been reduced.

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

Would he not agree with me, Mr Speaker, that although the Chief Minister has made a big song and dance about the Sunborn loan having been repaid in full, in fact what has happened is that perhaps the Credit Finance has reduced its credit exposure but still retained at least €8 million worth of exposure to Credit Finance as at 31st December, and therefore the loan effectively ...? Well, the loan was repaid certainly, but there is a credit exposure still to the Sunborn at that date?

Hon. Sir J J Bossano: I do not think the one thing follows from the other. That is to say the loan that was originally made was something that I was involved in because I actually went to Finland to persuade the owners to bring it here and part of the incentive that I offered, competing with Barcelona, was that the ship should come here.

I think the provision of the loan clearly has to be seen in the context of what having the *Sunborn* here has meant in terms of economic activity, in terms of the creation of employment. We doubled overnight the number of beds in Gibraltar because the *Sunburn* alone provided more beds than the Rock Hotel and the Eliot Hotel put together. One of the problems that we have always had historically in dealing with bringing more tourists to Gibraltar was the chicken-and-egg situation that tour operators would say, 'You need a certain volume of beds before we can charter a plane' and hoteliers used to say, 'We haven't got enough flights for me to put money into building hotels.' It was only this unique opportunity of a hotel that was ready-built and floated to Gibraltar that overnight we could talk to the airline and have the beds at the same time. It was something that could have turned out to be a flop, but it turned out to be a success. The success has been in the increased number of tourists, the increased number of flights, the income to the company that lent the money and we got our loan repaid.

The fact that we got our loan repaid does not mean that therefore buying a loan that was available but not one that we had negotiated with the company was not good business. The decision that was taken by the Treasury to invest in this loan was taken like they might have invested in another loan from any other hotel or anything else. So it is not that we negotiated, 'You pay us back and we will invest so much.' That is not what took place. The investment originally was an investment where the risk involved in making the loan took into account not just the return on the loan but the impact on the economy, on employment and on Government revenue.

Therefore, it was in the context of that big picture that it was worth making the loan. If we had been investing £36 million we probably would not have put that much money in one particular entity if the ship had been in Barcelona. So the decision was taken independently, just like the decision was taken to reduce it because the money was either invested somewhere else but the actual ... I am not involved in the day-to-day investment decisions, as the hon. Member will understand. (*Interjection by Hon. Chief Minister*)

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer and his economic rationale for giving a loan in the first place, but he must accept that from what he has said and certainly from the accounts of Credit Finance Company Ltd – and they have not been audited – at 31st December 2017 there was still a credit exposure. I am sure he understands what I mean by that: a risk in respect of the *Sunborn*.

I would also point out to the Minister that, in fact, in terms of it being an investment in the normal course of business that you might expect, as you are suggesting, is it not true, Minister, that this was the only investment that Credit Finance has ever made in a bond and therefore it is perhaps easy to connect the repayment of loans and investments and the bond, seeing as it is the only type of bond investment that I can see evidenced by their accounts?

Hon. Sir J J Bossano: I do not know why he is making that point. It is not that we are trying to hide what is invested.

Credit Finance is operated to make money and it reinvested some of the interest it gained from the original loan because it was considered to be a good investment to do it in that company as opposed to doing it in anything else. Given the success that we have had in this particular investment, clearly we should be doing more of it.

Hon. R M Clinton: Mr Speaker, one very last point on this particular question. The Minister just said 'we decided to reinvest the interest'. Was there an issue with the payment of the interest and they decided to take this bond in lieu of an interest payment? Is that what he suggested?

Hon. Sir J J Bossano: No, I have not said they decided to take the bond in lieu. Those are, Mr Speaker, his words, not mine. I am saying that the amount of money that we had in interest

which we had available for investment we chose to reinvest at that point in their loan, which has since been reduced, and we might have invested it equally in something else. It is not that we had, as part of the deal, 'We wouldn't have got repaid unless we reinvest it in that.' That is not the case. Credit Finance was free to invest it somewhere, had they chosen to. *(Interjection by Hon. Chief Minister)*

Hon. R M Clinton: Mr Speaker, I thank the Minister again and I will now move on to another point.

Moving on to his answer to Question 114, where the maturity dates of the preference shares were extended, looking at the accounts for 2017, which were filed, would the Minister not agree with me that on the face of it, certainly on the balance sheet, Credit Finance Company would have been technically insolvent if indeed the maturity of the preference shares had not been extended? Was the maturity extended at the request of Credit Finance Company Ltd, in that it was obviously patently unable to repay, or was that extension one requested by the Savings Bank?

Hon. Sir J J Bossano: Mr Speaker, the Member opposite seems to have a strange idea that there are different entities which would take each other to court or put each other in insolvency. The tertiary that manages the Savings Bank manages Credit Finance and manages all the cash and managers all the companies.

I am not an accountant and I am not able to challenge him on whether there is a technicality there, or not. All I can tell him is that the original maturity dates were in fact related to the areas of the portfolio of borrowings of the Savings Bank – because, as he knows, one of the things in the Savings Bank is that it was supposed to average out the maturities and the yields so that in fact we are not caught out by having to pay things back earlier than we can get them repaid. So the maturities of the original thing were tied to the bonds and debentures which had maturity dates that tied up, and therefore when the different structure of the savings instruments changes they change the date of this. But it has no particular significance. Tomorrow, we could decide to change the maturity for some other reason.

All I can tell the hon. Member is that I did not even know that it had been changed. I asked the question because he has asked me. But it is not as if people had to change the maturity in case the Savings Bank did something, because the people in the Savings Bank and the people in Credit Finance are the same civil servants who are managing these things.

Hon. R M Clinton: Mr Speaker, just as a suggestion, perhaps the Minister would like to discuss the way the maturity ladder is worked out with the Treasury officials so as to ensure that they do not present a picture when the accounts are audited. I am not saying there is anything wrong with that, but it actually shows to a third party that the company might be technically insolvent, and by that I mean unable to repay its debts when they fall due. According to this – although Pricewaterhouse has not qualified the accounts, there is no reason for anyone to have any cause for concern – it would show a net current liability of £23 million within a year, meaning that in a year technically it would not have been able to pay its debts unless the preference shares were rescheduled. If, as you say, it is all one and the same person, they should perhaps manage this maturity a bit better so that the position is, as you say, managed within and they can match the maturities and there is no issue. Otherwise, a third party picking this up would say, 'Ah, there could be a problem here' – although I am suggesting that there is not. That is my suggestion.

Mr Speaker, again I beg your indulgence. Gibtelecom dividends: I am pleased to note that they are still being paid, although not at the same rate, and I note that the accounts for December 2016 have now been filed in full. I would urge the Minister, if he can, to exercise his influence to have the accounts for 2017 and 2018 filed as soon as possible.

Moving on to the Savings Bank, which is Question 111, yes, I accept what the Minister has said and yes I do, and I apologise – I do have the March 2016 accounts. I do not have 2017 and 2018, and from the Principal Auditor's report – which we have received today – for the year ending March 2016, on page 106 the Principal Auditor reports that he has actually audited and certified already the accounts of the Savings Bank for 2017 and 2018, so they are in the Minister's possession. I know he may want to produce what I call a 'glossy' for depositors, but there is no reason why he could not provide those to the House now, if he so wished. The Principal Auditor also notes on his website that he has finished the work but they have not yet been gazetted, and I think we may have a slight discussion about this when we come to debate his proposed amendment to the Savings Bank Act in due course. But is the Minister not prepared at least to share with the House the accounts that he has in his possession?

Hon. Sir J J Bossano: I have told him that it is in the process of being delivered to the depositors – it should be happening within a week and then I will let him have a copy.

Hon. R M Clinton: Mr Speaker, moving to Question 107, in terms of the detailed breakdown of external borrowing the Minister indicates that all will be revealed in the Budget debate. Will the Minister undertake to give a full, detailed breakdown of all external borrowing, as requested in the question, as at the date of the Budget debate?

Hon. Sir J J Bossano: No, I cannot undertake that because it will not be in my Budget speech.

Hon. R M Clinton: Mr Speaker, that is my point entirely in the sense of the Minister's responding to me saying it will come up in the Budget, but I have no assurance that it will. Who will give me that assurance, Mr Speaker?

Hon. Sir J J Bossano: Mr Speaker, the assurance that I am giving him is that the Government will be dealing with it in the Budget speech. How the Government will deal with it in the Budget speech we will both find out when the Budget speech is delivered.

Hon. R M Clinton: Mr Speaker, one last question. Again, I may have misheard – I just want him to confirm: did he say, in answer to Question 98, that it was Gibraltar Investment Holdings Ltd that lent money to the Gibraltar Development Corporation?

Hon. Sir J J Bossano: Yes, that is my understanding of it.

Mr Speaker: Any other supplementaries, or can we take it that that is the end of Question Time?

Hon. R M Clinton: Yes, sorry, Mr Speaker, just one. Question 106, in relation to GEP Ltd: does the Minister agree with me that GEP Ltd has no resources of its own and therefore would have to borrow in order to finance any contracts?

Hon. Sir J J Bossano: I am not going to agree or disagree with anything because I have told him that the matter will be dealt with in the Budget speech.

**Correction to information given to Parliament
on 30th January 2019 re petition**

Clerk: Answers to Written Questions. The Hon. the Chief Minister.

Mr Speaker: Before we move on, the Hon. Danny Feetham.

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

On 30th January 2019 the Hon. Minister Cortes presented a petition to this House in the name of Minister Isola, which has been recorded in *Hansard* as stating that the petition, asking for recognition of the pre – borns indisputable right to life, was signed by 102 persons. I just wish it to be recorded that in fact that contained a much larger petition annex to it with 6,285 signatures.

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Mr Speaker: Normally I would have expected the hon. Member to make the point under the subject of Petitions, but that requires a new and separate meeting.

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He expressed his anxiety about that, wishing to correct the record, and therefore I am giving him an opportunity to do so.

Questions for Written Answer

Clerk: Answers to Written Questions. The Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move, having been provided with the necessary envelope and other materials by Julie from No.6 Convent Place, to lay on the table the answers to Written Questions W81 and W97/2019, inclusive.

Standing Order 7(1) suspended to proceed with Government Bills

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

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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

**Gibraltar Savings Bank (Amendment) Bill 2019 –
First Reading approved**

Clerk: Bills – First and Second Reading.

2775 A Bill for an Act to amend the Gibraltar Savings Bank Act in order to allow for interest on ordinary deposits to accrue on the day of deposit and to change the date of when annual accounts and a statement of assets and liabilities are to be laid before the Minister.

The Hon. the Minister for Economic Development, Telecommunications and the GSB.

2780 **Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Gibraltar Savings Bank Act in order to allow for interest on ordinary deposits to accrue on the day of deposit and to change the date of when annual accounts and a statement of assets and liabilities are to be laid before the Minister be read a first time.

2785 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Gibraltar Savings Bank Act in order to allow for interest on ordinary deposits to accrue on the day of deposit and to change the date of when annual accounts and a statement of assets and liabilities are to be laid before the Minister be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

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Clerk: The Gibraltar Savings Bank (Amendment) Act 2019.

**Gibraltar Savings Bank (Amendment) Bill 2019 –
Second Reading approved**

Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): I beg to move that the Bill for the Gibraltar Savings Banks (Amendment) Act 2019 be read a second time.

2795 Mr Speaker, it is a straightforward Bill and the explanation for it is that traditionally the ordinary accounts had a rule on the basis for the interest to be paid, which was that the money had to be kept for a full calendar month. So, for example, if somebody put money in their ordinary account on the second day of the month they got nothing for that month, or if they withdrew it one day before the end of the month they got nothing. As a result of the fact that
2800 we are now moving to electronic systems in the operation of the ordinary accounts, as we did before with debentures, it is possible, now that it is electronic, to calculate the interest on a daily basis and therefore depositors will have the benefit of getting the interest for the time that they have their money in the bank, as opposed to the other way. In fact, at any one time there is about £100 million in the ordinary accounts but there is quite a lot of money that comes in and
2805 out, particularly with pensioners maybe putting in their money when they get their pension and then withdrawing it within a few days, and because of the movements being within the same month they have got nothing. So there will be some benefit to depositors out of the new system and it will cost us a bit of money to do it.

2810 The other element is giving them a later date to have to close the account, which has been a request from the staff – they thought that the previous date that the law provided for needed changing and they have chosen the timescale that they consider they need.

I commend the Bill to the House on the basis that all we are doing is providing an improvement for the people who place their money in ordinary accounts, in terms of the return, and making life a little bit easier for the people who have to run the system.

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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 this Bill? The Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, thank you very much.

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Anything in respect of the modernisation of the Savings Bank and its systems obviously has to be welcomed.

Certainly in terms of banking and the accrual of interest, obviously it will benefit depositors. And I notice from the face of the Bill that the intention is that this should be backdated to 1st April of this year. Another aspect of the amendment, from what I can read, is that apart from the accruing of interest, you also are probably – and you can correct me if I am wrong – putting in some protection in terms of the clearance of cheques to make sure that the money is indeed cleared and you will not pay interest until seven days have passed from the depositing of the cheque. Also, you have put in some clarification on what happens in terms of calculating interest on the closure of an ordinary account.

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Mr Speaker, in terms of all these amendments I can see the logic of them and the rationale as to why this sort of amendment would be required, given that you are probably moving to – or have moved; I do not know the name of the system – some sort of banking automatic system which will do this. In fact, it will probably cost you more to amend the program than to pass the Bill, from my experience of banking software.

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But it is kind of a paradox, in that the Minister is saying, 'We are improving the system and we are making things better' – and, I would assume, making them faster – by having a new system, in which case the final amendment, which is to change, in section 12A, 31st August to the 31st day of October, gives an extra two months, and I ask myself: if you have got a brand new system that does things better, why would the staff be asking for two more months for the accounts to be audited?

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I would refer the Minister to the existing section 12. I have had to avail myself of the only copy I have to hand, which I do not think is that out of the date, although it is the 1984 edition – the Minister will correct me if I am wrong. The 31st day of August is the date by which the Principal Auditor has to present the accounts to the Minister, not the date on which the Savings Bank staff have to present them to the Principal Auditor, so the benefits of the extra two months ... I am not entirely certain that under the Public Finance (Audit Control) Act the benefits of those two months will actually pass down to staff at the accounting level in the Savings Bank, but rather those extra two months will give the Principal Auditor two more months to audit and lay the accounts before the Minister. I would welcome the Minister's clarification on that point, because from my cursory reading of this the beneficiary of the two months is not necessarily going to be the staff at the Savings Bank but rather the Principal Auditor and they may still have to report to the Principal Auditor on the same timescale as before.

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The Minister will be fully aware, having brought a Private Member's Bill back in January 2017, that I had wanted to amend the Savings Bank Act to add some words – in fact, in this section 12 – whereby the Minister would undertake to gazette within a month of having had full receipt of the audited accounts from the Principal Auditor. We can see, Mr Speaker, that there are indeed now two years' worth of accounts that could have been gazetted but have not been yet. I do not imagine I would have been able to persuade the Minister in the intervening two years of the wisdom of my suggestion, but nevertheless I thought it would be worthwhile, in the context of the debate on this amendment, just to reference back to it and indicate that I think it is all very well to extend the period in which the accounts have to be delivered to him, but in return I think he should at least make a commitment to deliver them to the public, or to gazette it, or even to this House. He obviously is indicating he has no desire to amend it. But taken in the

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round and given that the bulk of the Bill is to benefit depositors, two months is not a great deal of time in the grand scheme of things and I would venture to suggest that the auditors are probably the ones who are going to benefit more than his staff. It seems that producing work in August is probably not the best time to be doing it, let alone July, so I imagine receiving them in October is probably more practical from their point of view.

Mr Speaker, I have gone back to try and see when the last time this provision was changed, and to be honest I cannot find it. It may go back to 1935. All the other tweaks to section 12 have been to remove the word 'Governor' and other such things, but I do not think since 1935 has there been any attempt or any suggestion that the Principal Auditor needs more time to undertake his work.

I think I would recommend to this side of the House that certainly there is nothing in here so offensive that would cause us to be opposed to it, but I would just add a reservation saying it would be nice if also you had added something to say 'and I will gazette it within a month of having receipt'. I do not think there is sufficient argument for me to oppose the Bill on that ground alone because obviously there is a benefit here to depositors and to the general public, but I would ask him to go back and check – and maybe he knows the answer now – as to whether these extra two months in fact will benefit staff or will be a benefit for the Principal Auditor, because my reading of section 12 is delivery of a report to him, not delivery of accounts to the Principal Auditor. I would be grateful for his clarification on that.

Mr Speaker: Does any other hon. Member wish to speak on the Second Reading of this Bill? Otherwise, I will call on the mover to reply. The Hon. Sir Joe Bossano.

Hon. Sir J J Bossano: Mr Speaker, the hon. Member may be right. It may be that it is the Auditor and that the Auditor has asked the staff and not that the staff have raised the matter with me. I assumed, naturally, that it was the staff who wanted to have the ability to submit it to the Auditor later and that therefore the Auditor would need an extension in order to be able to finish the work if he got it later. But it may be that it is at the end of the audit that the request came to the Department and therefore the Department put the proposal for a policy decision and I took it that it was ...

Given the fact that the volume in the Savings Bank is constantly on the up, it seems to me that even though we are producing new technology ... A lot of this, particularly the part on the ordinary account, has been done in the same way since time immemorial. It is only a few years ago that the old book where people used to scribble the stuff in the book disappeared, but we hope eventually to be able to get to the stage where people will not have to queue up and therefore it will be easier for people to access their money and to deposit their money. This is a step in that direction.

I think, frankly, the main benefit of this is the fact that there are some people who have been getting no interest simply because they may have had their money there a very long time but it has never been there for a continuous month. It is a very old provision, which was probably there from the time of Queen Victoria and which has never been looked at until now, and I think when the interest was a manual calculation it was much easier to say any money that has not been there for a whole month you can forget, so you do not need to calculate interest on it.

He has not persuaded me of his proposal of 2017, but there is no harm in him continuing to try to persuade me.

I will go back and take his comments, just to be sure what will be the effect of the amendment, but the fact that it would be helping the staff was an assumption on my part.

I commend the Bill to the House, Mr Speaker, and I will be taking the Committee Stage.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Gibraltar Savings Bank Act in order to allow for interest on ordinary deposits to accrue on the day of deposit and to change the date of when annual accounts and a statement of assets and liabilities

are to be laid before the Minister be read a second time. Those in favour? (**Members:** Aye.)
Those against? Carried.

Clerk: The Gibraltar Savings Bank (Amendment) Act 2019.

**Gibraltar Savings Bank (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

2920 **Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano):** 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.

2925 **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

Clerk: Committee Stage and Third Reading. The Hon. the Chief Minister.

2930 **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, namely the Gibraltar Savings Bank (Amendment) Bill 2019, the Ivory Bill 2018, the Gibraltar Electricity Authority (Amendment) Bill 2019, the Gibraltar Electricity Authority (Amendment) Bill 2018, the European Union Laws (Voluntary Implementation) Bill 2019, the Nature Protection (Amendment
2935 No. 2) Bill 2018 and the Public Health (Amendment) Bill 2019.

In Committee of the whole House

**European Union Laws (Voluntary Implementation) Bill 2019 –
Clauses considered and approved**

Clerk: A Bill for an Act to provide for the voluntary implementation of European Union laws after the Treaty on European Union, the Treaty on the Functioning of the European Union, the Treaty establishing the European Atomic Energy Community and the European Economic Area Agreement cease to apply to Gibraltar; and to provide such transitional or other provisions as
2940 are deemed necessary, and for connected purposes.
Clauses 1 to 6.

Mr Chairman: Stand part of the Bill.

2945 **Clerk:** The long title.

Mr Chairman: Stands part of the Bill.

**Gibraltar Electricity Authority (Amendment) Bill 2018 –
Clauses considered and approved with amendment**

Clerk: A Bill for an Act to amend the Gibraltar Electricity Authority Act 2003 to support feed-in agreements and to matters connected thereto.

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Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Chairman, this Bill has been on the Order Paper for some time. I believe my copy has the date 2017, and that should be amended to 2019.

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Mr Chairman: Clause 1, alter the date: amend 2018 to read 2019. And there is another Bill to follow as well.

Clerk: Clause 1 as amended.

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Mr Chairman: Stands part of the Bill.

Clerk: Clauses 2 and 3.

Mr Chairman: Stand part of the Bill.

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Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Nature Protection (Amendment No. 2) Bill 2018 –
Clauses considered and approved with amendment**

Clerk: A Bill for an Act to amend the Nature Protection Act 1991.

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Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Chairman, once again, this needs to reflect the fact that it is 2019 and not 2018, when it was originally placed on the Order Paper.

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Clerk: Clause 1 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clauses 2 and 3.

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Mr Chairman: Stand part of the Bill.

Clerk: The long title.

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Mr Chairman: Stand part of the Bill.

**Gibraltar Electricity Authority (Amendment) Bill 2019 –
Clauses considered and approved with amendment**

Clerk: A Bill for an Act to amend the Gibraltar Electricity Authority Act 2003.
Clauses 1 and 2.

2990 **Mr Chairman:** Stand part of the Bill.

Hon. E J Reyes: Mr Chairman, I was going to say, because Dr Cortes before changed it, the Bill we did before can now be cited as the Gibraltar Electricity Authority (Amendment) Act 2019. This one is going to carry exactly the same title: the Gibraltar Electricity Authority (Amendment) Act 2019. Do the lawyers need to advise us? Otherwise, we have got two different Bills being cited with exactly the same titles. I do not know if I am out of order.

Clerk: I think the long title could be amended to '(Amendment No. 2)' Act.

3000 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):** Yes, Mr Chairman, I think I would be very happy to accept the Clerk's recommendation and we call it '(Amendment No. 2)' in order to distinguish it from the other. I am happy to accept that.

Clerk: Clause 1 as amended.

3005 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 2.

3010 **Mr Chairman:** Stands part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Public Health (Amendment) Bill 2019 –
Clauses considered and approved**

3015 **Clerk:** A Bill for an Act to amend the Public Health Act in order to provide for improvement notices and relevant penalties in regard to the control of major accident hazards involving dangerous substances.
Clauses 1 to 3.

3020 **Mr Chairman:** Stand part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Ivory Bill 2019 –
Clauses considered and approved**

3025 **Clerk:** A Bill for an Act to make provision for the prohibition of dealing in ivory, save for in certain circumstances; and for connected purposes.

Part 1, clauses 1 to 3.

Mr Chairman: Stand part of the Bill.

3030

Clerk: Part 2, clause 4.

Mr Chairman: Stands part of the Bill.

3035

Clerk: Part 3, clauses 5 to 14.

Mr Chairman: Stand part of the Bill.

Clerk: Part 4, clauses 15 to 36.

3040

Mr Chairman: Stand part of the Bill.

Clerk: Part 5, clauses 37 to 42.

3045

Mr Chairman: Stand part of the Bill.

Clerk: Schedules 1 and 2.

Mr Chairman: Stand part of the Bill.

3050

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Gibraltar Savings Bank (Amendment) Bill 2019 –
Clauses considered and approved**

3055 **Clerk:** A Bill for an Act to amend the Gibraltar Savings Bank Act in order to allow for interest on ordinary deposits to accrue on the day of deposit and to change the date of when annual accounts and a statement of assets and liabilities are to be laid before the Minister.

Clauses 1 to 3.

Mr Chairman: Stand part of the Bill.

3060

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**European Union Laws (Voluntary Implementation) Bill 2019 –
Gibraltar Electricity Authority (Amendment) Bill 2019 –
Nature Protection (Amendment No. 2) Bill 2019 –
Gibraltar Electricity Authority (Amendment) Bill 2019 –
Public Health (Amendment) Bill 2019 –
Ivory Bill 2019 –
Gibraltar Savings Bank (Amendment) Bill 2019 –
Third Reading approved: Bills passed**

Clerk: The Hon. the Chief Minister.

3065

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the House has considered the following Bills and passed them without amendments, namely the European Union Laws (Voluntary Implementation) Bill 2019, the Gibraltar Electricity Authority (Amendment) Bill 2019, the Nature Protection (Amendment No. 2) Bill 2019, the Gibraltar Electricity Authority (Amendment) Bill 2019; the Public Health (Amendment) Bill 2019 and the Ivory Bill 2019, together with the Gibraltar Savings Bank (Amendment) Bill 2019, and I now move that they be read a third time and passed.

3070

Mr Speaker: I now put the question, which is that the European Union Laws (Voluntary Implementation) Bill 2019, the Gibraltar Electricity Authority (Amendment) Bill 2019, the Nature Protection (Amendment No. 2) Bill 2019, the Gibraltar Electricity Authority (Amendment) Bill 2019, the Public Health (Amendment) Bill 2019, the Ivory Bill 2019 and the Gibraltar Savings Bank (Amendment) Bill 2019 be read a third time and carried. All in favour? (**Members:** Aye.) All against? Carried.

3075

3080

Clerk: We continue with Bills, First and Second Readings, and we now move to the adjournment.

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should now adjourn. We will adjourn to 10th June at 10 a.m.

3085

As I indicated to hon. Members, it is the Government's intention to take the Appropriation Bill at that stage. Hon. Members will know that that is slightly earlier than we have been able to take the Appropriation Bill in other years, but of course we do have a number of imperatives this year, namely the Island Games and all of the other matters that I referred hon. Members to last time, when I told them that that might be the date.

3090

I have the honour to move that the House should now adjourn to 10th June at 10 a.m.

Mr Speaker: The House will now adjourn to Monday, 10th June at 10 in the morning.

The House adjourned at 7.56 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.01 a.m. – 2.11 p.m.

Gibraltar, Monday, 10th June 2019

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The Gibraltar Parliament

The Parliament met at 10.01 a.m.

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

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

Suspension of Standing Order 7(1) to permit papers to be laid

Clerk: Meeting of Parliament, Monday, 10th June 2019. Order of Proceedings.
Suspension of Standing Orders. The Hon. the Chief Minister.

5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with the laying of reports on the table.

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

PAPERS TO BE LAID

10 **Clerk:** 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, I have the honour to lay on the table the Tourist Survey Report 2018, the Hotel
Occupancy Survey 2018, the Air Traffic Survey Report 2018 and the Employment Survey
15 Report 2018.

Mr Speaker: Ordered to lie.

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

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

20 **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.

GOVERNMENT BILLS

FIRST AND SECOND READING

**Appropriation Bill 2019 –
First Reading approved**

Clerk: Bills – First and Second Reading.

25 A Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2020. 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 appropriate sums of money to the service of the year ending on the 31st day of March 2020 be read a first time.

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 ended the 31st day of March 2020 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

35

Clerk: The Appropriate Act 2019.

**Appropriation Bill 2019 –
For Second Reading –
Debate commenced**

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

40 This is my 16th Budget address as a Member of this Parliament. It is my eighth Budget address as Chief Minister. As part of my address on this Second Reading of the Appropriation Bill, I have the honour to present the estimates of Government's revenue and expenditure for the year ending 31st March 2020. I also have the honour to present the outturn for Government's revenue and expenditure for the year ended 31st March 2019, which was the seventh full financial year of a Socialist Liberal Government since we took office in December 45 2011.

The House is having to meet today on a Jewish feast day, the day of Shavout. I wish all members of that important religion a happy feast and apologise to the hon. Lady for having to meet today. She and I discussed options for adjournment, which she knows we would have pursued if it had been possible.

50 Mr Speaker, this address will be the last of this Government in the lifetime of this Parliament and before a General Election. It also comes some 36 months after the decision of the British people, in a referendum, to leave the European Union. Additionally, I rise to address the House this year on some other significant anniversaries which have a bearing on who we are today and our enduring security.

55 It is 80 years since the formation of the Gibraltar Defence Force.

Indeed, perhaps most apposite is the fact that the Father of the House is 80 years old today. (*Banging on desks*) For most people, having a birthday on the day of the Budget might be a drag. (*Laughter*) For Sir Joe Bossano, I do not think he would prefer to be anywhere else. I think it is fair to wish Sir Joe a very happy birthday and a very happy Budget debate on behalf of the nation 60 he has given most of his life to.

It is 75 years since D-Day, and it is 50 years almost exactly to the day since perhaps the most defining post-war-time evacuation event in our history, the closure of the Frontier, and indeed the 1969 Constitution.

I shall have more to say about each of those relevant anniversaries later on in this address, especially about the last of the ones I have just mentioned.

Mr Speaker, as you know and as we all know, the UK should have left the European Union by now, at the end of March this year. Instead, it has been granted an extension until 31st October this year. Again, if the UK leaves on that date this will, sadly, be the last Budget address that will ever be delivered in this House by a Chief Minister whilst we are members of the European Union. We will all no doubt, however, agree that we hope that it might be possible for the United Kingdom, and with it Gibraltar, to stay in the European Union.

One way or another, the position of my Government will be to continue to navigate the months ahead with the same political tact and strategic care that have enabled us to reach today with no materially adverse shocks affecting our economy since the date of the Brexit referendum.

We will also seek to contribute our grain of sand in persuading whoever is the next Prime Minister of the United Kingdom in coming weeks and months that a confirmatory referendum should now be held before any type of Brexit is finalised.

What is certainly true is that history will show that none of my 2016, 2017 or indeed 2018 Budgets turned out to be Brexit Budgets after all – although we were right to be prudent and careful in crafting them as such at the time that they were delivered. I will be no less careful and no less prudent today.

In the context of the developing situation in London – with the Prime Minister officially now resigned as leader of her party and awaiting the outcome of the leadership election in the Conservative Party – as is now traditional, my Budget address to this House will be very much a state of the nation address. I will also, of course, report to the House on the state of our public finances as well as on our nation's economic outlook.

This year, regrettably, I will also, during the course of this main address, deal with certain innuendoes and aspersions cast wildly by some of the Members opposite whose deep political frustrations at their repeated political failures have led them to make even more outlandish attacks on the integrity of Members of the Government.

Hon. R M Clinton: Mr Speaker –

Mr Speaker: I am very sorry, Mr Clinton, please sit down. (*Interjection*) This is the opening of the debate on the Appropriation Bill. I think it is not appropriate, without a real need, that any points of order should be addressed. Whatever the Chief Minister may or may not say on that issue you will have an opportunity, when you contribute to the debate, to have your say. He has not even said anything yet in detail and you are already on your feet on a point of order.

Hon. R M Clinton: But, Mr Speaker –

Mr Speaker: Yes, Mr Clinton, please.

Hon. R M Clinton: – you will accept that there will be a point of order anticipation if he does raise anything that is not already on the Order Paper by way of motion?

Hon. Chief Minister: Mr Speaker, I am afraid I do not want to be accused of having said something which is not in context, so I think I should read that part of my address again. It is important that people get the flavour of what it is that I need to say.

This year, regrettably, I will also, during the course of this main address, deal with certain innuendoes and aspersions cast wildly by some of the Members opposite whose deep political

frustrations at their repeated political failures have led them to make evermore outlandish attacks on the integrity of Members of the Government, including some officials. It is a pity that at this time in our history I will have no alternative but to set the record straight on some such wild allegations, but it is necessary that the reputations of good men should not be sullied by the allegations of ruthless men, (*Banging on desks*) and I shall endeavour to do that as part of this address. I shall no doubt also have to do so when I address my reply to the House, as it appears to have become commonplace in some quarters to raise the spectre of impropriety where there is none as a shield for some people's own political incompetence.

More of that anon, Mr Speaker. For now, I would just wish to start by reflecting on the fact that this is really the 31st Budget of the modern era and the 50th Budget delivered in a Gibraltarian Parliament since the creation of the House of Assembly under the 1969 Constitution. I want to trace the economic development of our people in that half century which ironically coincides almost to the day with the closure of the Frontier.

Last year, I reminded the House that it was in 1988 when Sir Joe Bossano delivered his first Budget address as Chief Minister to this House and that the then Financial and Development Secretary said in his address on the Second Reading of the Appropriation Bill that 'el giri', as he referred to himself, was giving way to 'el jefe'. That was really the moment when we took control of Gibraltar's economic and political future in a way that had previously been unheard of. That was when we really started to push the boundaries of the 1969 Constitution and started to rewrite for ourselves how we would be governed. That was the beginning of the modern economic era in our political history.

But this year it is perhaps more important, in setting this moment in our history into its proper context, to look back even further than 1988 or 1989. It is incumbent on all of us to look back to those two key events that happened within weeks of each other in late May and early June 1969.

The first key event is the grant to Gibraltar of the 1969 Constitution. For many of us this was the Constitution under which we were brought up, and for all of us the Constitution that carried on it the preamble which set out then, for the first time in our history, that:

Whereas Gibraltar is part of Her Majesty's dominions and Her Majesty's Government have given assurances to the people of Gibraltar that Gibraltar will remain part of Her Majesty's dominions unless and until an Act of Parliament otherwise provides, and furthermore that Her Majesty's Government will never enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another state against their freely and democratically expressed wishes.

Especially given the context of the United Nations resolutions of the 1960s, these were hugely important words in cementing the relationship between the people of Gibraltar and the United Kingdom.

It is particularly important to note that the Constitution was made on 23rd May 1969. It came into effect on 30th May 1969. The connection between that Constitution and its preamble coming into effect and the events of the following week, on 8th June 1969, are obvious and unquestionable.

Both our decision as a people in the referendum of 10th September 1967 and the Constitution of 1969 were to determine our course for the next half century and we as a people have lived with the consequences of those decisions since then. When we look at the state of those around us and we look at the state of our own development and prosperity, I think it is clear that we made the right choices – and not *just* in economic terms but *also* in economic terms. It was from under even that Constitution that we would later start to emerge from 1988, as the economic lifeblood of colonialism was expunged from the veins of our public finances and our economy as we moved away from dependence on MoD spending as a result of the economic planning and vision of one man and the GSLP Government.

This year, in that context, it is worth also perhaps considering why it was that some said that Sir Joe Bossano had a 'secret economic plan' behind the economic rebirth of which we are now

all so proud, which even the former Chief Minister in his final address to this House praised Sir Joe for.

As we have seen in the recently released papers from the National Archives in the UK, in 1988 the Foreign and Commonwealth Office were not impressed by the fact that Joe Bossano, as he then was, did not accept the established conventions: he was holding meetings with foreign officials, he was going out to do business with other nations, he was not accepting any controls on his activity. Little has changed about Joe Bossano, Mr Speaker.

So why was Joe Bossano not sharing more of his economic plan? It was not secret to be kept secret from the electorate, Mr Speaker. It was not secret in order to avoid national scrutiny. It was not secret in order to avoid transparency. No, it was secret because, at a different time in our history, the FCO wanted to stop it. They wanted to stop Joe Bossano, the man they have since knighted. The UK was uncomfortable with it. Cables suggest they were not happy Sir Joe was meeting foreign dignitaries and they were certainly not happy that he was going to the United Nations in New York in order to defend Gibraltar in the Committee of 24, and they sought, through subterfuge and deception, to stop him from attending.

That is not what our relationship with the FCO is like today. It is not the Britain of today, but it was the Britain of 1988. Britain has moved on. We have a different relationship with Britain today. I will be going to the United Nations in New York next Monday with the full support of the United Kingdom, but it is not safe to say that Spain's attitude to us has yet appreciably changed from what it was in 1988.

So, today, when we talk about having to keep things confidential we are not seeking confidentiality from you, Mr Speaker, or from our fellow Gibraltarians. In fact, we are so proud of what we are doing that we would happily tell you all of the things that we are doing, and if we could meet every one of our citizens one on one, we would. But it is sometimes necessary to keep things not secret but confidential, as every nation does, even now, in order to keep our community safe and to continue the growth of our community.

There will be an appropriate point later in this debate, no doubt, where the baseless accusations of some Members of this House against charitable institutions and their trustees, and indeed allegations of my trying to co-opt some Members of the House into the offence of collusion – that is to say conspiracy by the simple device of following the convention of sharing information confidentially behind your chair – will be addressed.

Mr Speaker, Joe Bossano built a new economic reality, a new normal, both in terms of constitutional conventions and economic growth that delivered surpluses and prosperity. A new constitutional convention emerged where the political leaders of Gibraltar had the political and economic reigns and had control. A new Gibraltarian economy became a reality. In fact, the secret economic plan delivered a new economic miracle of the type never seen before.

Today, we continue to reap the benefits of that revolution that we all contributed to in different ways. It was Joe's plan but seven other Ministers helped to implement it. The public sector saw it through, including delivering services via commercialised joint ventures in the utilities, which today provide services that allow us to boast telecommunications infrastructure and related businesses that we could not have delivered without those sometimes uncomfortable changes. Each and every one of the people who worked in our economy made it a reality. They reclaimed land for civilian use on a scale like never before. They paid for our studies. They paid the mortgages of their new 50/50 homes. We all built a new Gibraltar, truly an economically freestanding nation. So, if economic self-sufficiency is the baseline of the ability to determine our own political future, this was the plan that delivered that new and necessary economic reality.

Mr Speaker, this week is an important week and this year is an important year in many other respects – and I must weave all of these anniversaries together for the House today, as all are part of the rich tapestry which delivers our economic success as a people, especially when set in its proper historic context.

210 We are 80 years out from the formation of the Gibraltar Defence Force. I am hugely proud
that my father was one of the men who volunteered to take on the Nazis in that war. Every
family in Gibraltar will have felt the same pride, as every able man was volunteering in those
215 days. For all of us in this community it was hugely emotive to see the serving men and women,
and the veterans in particular, of the Royal Gibraltar Regiment exercising their Freedom of the
City some weeks ago. We were the scene for the launch of Operation Torch, and the home of
President Eisenhower for some time. As our men volunteered to stand and fight, our women
and children were torn from this place and evacuated. Seventy five years ago, the world was still
220 at war and there were Gibraltarians in the D-Day operations. Theirs was the generation that was
evacuated and that fought a war. Theirs was the generation that won a war. They voted in a
referendum. They endured a closed Frontier. They stood and fought at every turn with a
remarkable dignity that knows no equal. Boy, do we owe them! We are not fit to wipe the mud
off their boots. And what we owe them the most is the obligation not to squander what they
have bequeathed us. That is how we best honour them.

225 The second key event that we must look back on now to set the debate on these Estimates in
its proper context is the human and economic tragedy that arose from the closure of the
Frontier: the last siege of Gibraltar. And so it is important that we, as the Parliament that meets
half a century later, should note that we can only understand the significance of the figures I am
presenting today by seeing them in their proper historic context – and that means our historic
context – and in that context we are rightly analysing our economic performance looking
230 backwards in time through the prism of economics and understanding that we are now firmly in
a positive balance. We have left behind the negative spectrum, the darkness of deficit, forever –
as long as we adhere to the principles that got us here, as long as we respect the sacrifice of
those who got us here, as long as we are ready to make our own sacrifices if the time comes.

235 The debate on the Second Reading of the Appropriation Bill for 1969 was the first ever
Budget debate in a Gibraltarian House of Assembly, no longer a Legislative Council. With the
clang of the closing Frontier gates still ringing in their collective ears, the House then had before
it Consolidated Fund revenue for 1969 of just £2,480,000. Consolidated Fund expenditure for
1969 was £2,832,000. Gibraltar was running a deficit that year of £352,000. That was the
position when the Frontier closed, and we were predicted to soon fall like a ripe fruit. In fact,
240 one newspaper report of the time said this:

Gibraltarians must, on no account, underestimate the forces arrayed against them and the British Government in
this so-called war for decolonisation. Señor Castiella the Spanish Foreign Minister is making victory in his war the
supreme objective of his career before the term of General Franco's life expires ... He is prepared to trade in the
greater part of Spanish commercial and military interests in North Africa in order to gain his sole objective –
Gibraltar.

Well, as we all know, things did not quite go according to plan.

I will, of course, do a fuller analysis of the numbers later on in my intervention, but it is
hugely important this year, 50 years almost to the day after the closure of the Frontier by the
evil fascist dictator, that we analyse how successful his policy of economic strangulation was. We
245 were closed in. That malevolent dictator left us to ripen and to rot. The economic strangulation
was to be the key to our surrender. Yet, instead, we all worked, we all sacrificed. We found the
friendship and support of our good, kind and noble neighbours, the humble people of the great
nation of Morocco. We enjoyed the fulsome support of Great Britain. And we worked some
more and we sacrificed some more. For 13 years that Frontier stayed closed, even after the little
250 dictator was dead.

Through it all, under successive Governments of different political complexions, we thrived –
a little more under some than under others, but we thrived. Half a century passed and we did
not fall, and we did not surrender or succumb. And this year, Consolidated Fund revenue for
2019 has increased from £2,480,000, 50 years ago, to a record-breaking, massive £706 million.
255 That represents a huge and gravity-defying percentage increase of 28,393% in 50 years in

Consolidated Fund revenue growth. Everyone in this community should be proud of that. What is more important even than that is that we have seen the social spending and the investment of successive Governments in Gibraltar grow to the benefit of working people in particular. Expenditure has gone from £2.8 million in 1969 to £623 million last year. That is the part Sir Joe is not so impressed with. It is an increase of just shy of 22,000%. The fascinating thing is that our income has grown by almost 6,500% more than our expenditure. And so, Mr Speaker, locked in and condemned to ripen and rot and fall, this great nation of ours turned a deficit of £352,000 into this year's record-breaking, all-time-high, unquestionable surplus of £83 million.

Mr Speaker, can I ask the House before we descend necessarily into the partisan fray, can I ask the whole community before they don their own personal partisan political colours, and can I ask the whole of our nation before we each descend into our personal cynicisms, to just pause for a moment – pause and declare this past half century a massive success for all of Gibraltar and all Gibraltarians as a collective, for the IWBP, the ISOLA Group, the AACR, the GDM, the DPBG, the GSLP, the GSD, the Liberal Party and even Together Gibraltar.

Thank you to Sir Bob, Sir Joshua, to you, to Sir Joe in particular for the economic revolution, and to Sir Peter for the work that they did and their respective teams did, however much I may also have disagreed with some of them on some of what they did. But this is not a moment for detail, it is a moment of macroeconomic analysis of our economic development as a people in the last 50 years. Thank you to Financial Secretaries since Mr Davis in 1969 through to the last UK appointee Mr Bristow, to the first Gibraltarian holder of the post, Mr Dilip Dayaram Tirathdas, and the current, brilliant and unimpeachable Albert Mena. Thank you. Few people, other than Chief Ministers and Ministers, appreciate the burden of hard work that incumbents of the post of Financial Secretary carry, together with their teams and the Accountant General and their team. Thank you.

And thank you also to every worker, to every person of every nationality who works in this economy, including the Spanish persons who work in this economy, to every good man and woman who has gone to work in Gibraltar in the last 50 years, to all workers as well as our great entrepreneurs. What a massive success you have made of your hard work, of your hard graft and of your common enterprise as a people. What a massive failure the last half century has been for those – starting but unfortunately not ending with Franco and Castiella – who sought to subjugate the people of Gibraltar.

Franco, you failed, mate. The only thing your steel gates attracted was rust. Castiella, you failed too. Your many plans garnered no support. You formed up against the Gibraltarians and you lost. Everyone who has come after you has failed. Everyone who comes after you and pursues your policies of aggression, of attempted strangulation and of attempted subjugation will fail. We will never turn down friendship or co-operation, but we will always stand up for our rights in this our homeland and we will always defeat any foe, however mighty they may see themselves, who seeks to remove us from our homeland. Fifty years on, we are not just still standing: we are growing, we are thriving and we are prosperous. And where are you, Generalissimo? About to be turfed out of your own grave. Good riddance, and not just for what you tried to do to the Gibraltarians.

How true, Mr Speaker, Dr King's poignant remark that 'the arc of the moral universe is long, but it bends toward justice'. In fact, another Franco, Juan Franco, the excellent Mayor of La Linea, had cause to tell the media last week that Gibraltar will never be Spanish. He is, of course absolutely right. I take this opportunity to congratulate Juan Franco on having taken 21 of the 25 seats in the La Linea municipality. I must say I never expected to be fodder for the headline 'Picardo congratulates Franco', but Juan is a good man and a good friend of our nation. With almost 15,000 cross-frontier workers, the majority of them Spanish and the lion's share of these from La Linea, we have a commercial and human relationship between our cities that is almost symbiotic and mutually beneficial.

We, in this House today, will honour the many generations who have brought us to this by never squandering a penny, by never risking this prosperity and by continuing to grow this

economy and nurture and grow our public finances. In that respect, Mr Speaker, I very much now look forward to starting my annual analysis of the state of the economy more generally and the public finances of Gibraltar in particular.

This year, as in every year, I will of course also today be outlining the Budget measures that this Socialist Liberal Government will introduce this financial year, the last of the lifetime of this Parliament, in pursuit of our manifesto commitments, in pursuit of the potentially still approaching – indeed, still impending – departure from the European Union and in pursuit of the key parallel and twin tracks of the social and business needs of our small nation. As has been the case with all the GSLP Liberal Government's Budgets since we were elected in 2011, this Budget is designed chiefly to support our hardworking families and to strengthen our community's future. The best way for us to do that is by supporting our youth, our students and our children. The best way to illustrate our humanity, empathy and solidarity as a people and deliver social justice is to provide much needed and deeply deserved support for our senior citizens, many of whom are the ones that have made the sacrifices of the evacuation, referendum and closed Frontier generations, as well as those who are disabled. As in every year since we were elected in 2011, all of that is factored into what I will tell the House today.

Additionally, in my address last year I was keen to ensure that the measures contained in the Bill were designed to encourage established businesses to grow and to encourage new businesses to establish themselves in Gibraltar despite the then impending Brexit. The figures I will disclose to the House today demonstrate that we have achieved that in the measure that it was realistically possible to achieve. This year will be no different. In that respect, what we need to ensure that we deliver in this Bill is the right environment for the private sector to continue to flourish. That is what will continue to drive the increases in employment that I will shortly disclose to this House. That is what will drive the continued increase in Government revenues. That is what will continue to deliver strong and sound public finances, as ours undoubtedly are. That is what will deliver the wealth of this nation.

We have continued to work with the organisations that represent businesses in Gibraltar, to deliver a pro-business environment that continues to set a climate ripe for investment and the growth of the private sector. As I have said repeatedly, we mean business in our support of our businesses large and small and this Budget will once again demonstrate that.

I want to add that one of the best ways to create a pro-business environment is to have a highly regulated workplace where both employers and employees know what their respective rights and obligations are. That is why we have also continued to work very closely with employee representative organisations in setting the pace for the socio-economic relationships that make up the workplace in Gibraltar and the regulation of the increasingly developed and sophisticated job market that we have in Gibraltar.

I do not believe that this is a zero sum game either. Government is not called upon to choose the Chamber and the Federation over the unions or vice versa – it is not a world of black and white, and neither of those sides would win if the Government were to choose one over the other. The modern world has transformed itself and today's Chamber or Federation may be populated by the children of working people and not just families of owners of means of production, and today's unions represent, in the main, a responsible partner for business that is as invested in growing a sustainable business as a good, long-term employer that provides the best employment. Bankrupt companies and bankrupt nations are not good employers. So I have worked as closely with unions as I have with the Chamber and the Federation in some instances, although I acknowledge and recognise that this has not been the year when I have been able to give those relationships as much time as I have before or as much time as I would have liked, for reasons related to the Brexit reality which has engaged so much of our time. But this Budget, as so many before, is therefore also the product of consultation with unions, the Chamber and the Federation.

We talk about using a Budget to create a great environment for business. What about using the Budget to create a great business for the environment? That is one of the things I will also do

as I deliver what I hope will be a great Budget for the environment, a Budget to recognise and redress the climate emergency that this House has identified, has certified in a unanimous motion, and which our young people are clamouring for us to deal with. And to deliver that excellent environment for businesses to thrive and grow, we must nurture the best possible public services and the strongest possible public sector. We need to improve constantly and every year the way in which Government does business, we need to be more efficient and we need to be more digital in our approach, and that means continuing to invest in infrastructure and continuing to invest in our people. We are doing that already and must and will continue to do so. The combination of support to our private sector business community and investment in our public sector will be what delivers the continued and sustainable growth in our economy.

And so, Mr Speaker, this Budget reflects my Government's deep and ongoing commitment to use all of the resources of the state to continue to improve the quality of life and standard of living of all our citizens, from every walk of life and of every single generation.

Mr Speaker, now for eight straight years my Government has been able to report GDP average growth of over 10% per year. I will report in detail on GDP later in this address, but I want to make the point now that this unprecedented run of economic growth has demonstrated in an undeniable and objectively measured manner our success in these past two terms in the administration of our country's affairs and the management of our economy. And whatever arguments we hear today, whatever excuses we hear to avoid supporting this Bill, whatever inventive method of calculation we are made to sit through, the numbers speak for themselves and they are clear beyond peradventure.

Additionally, we have not sat on the benefits of that economic growth and the prosperity that we have created. We have worked hard to ensure that we have percolated through into the lives of our citizens the success of their economy whilst at the same time we have put moneys aside also into the rainy day funds that we invented between 1988 and 1996 and which we have been the only parties to maintain, as these same funds had been run down to zero at the time that the party of the Official Opposition opposite was in power. That is one of the points that hon. Members opposite never deal with in their replies.

And so, Mr Speaker, on this side of the House we have again this year adhered to the founding principles which Joe Bossano set out in his first Budget address as Chief Minister in 1988. I enumerated those principles in detail for the House last year; I will only summarise them this year. The first principle is that the two most important pillars of our economy in Gibraltar are the land that we own and the people that we have. The second principle is that we do not borrow to repay recurrent expenditure. The third principle relates to borrowing generally and the need to ensure it is properly financed and invested in capital projects which are self-sustaining or required for the social needs of the community. The fourth principle is that we should accumulate funds in pots, or rainy day funds, where they will be accessible to Government to discharge liabilities of the Government in the event that there might be periods of lower recurrent income.

And so, by sticking closely to those principles, I am very happy that we can now look back on the past eight years in Government and prove, demonstrate, show, that we have not just delivered sporadic or ad hoc economic growth, we have not just had one good year followed by another bad year, we have not been hit and miss in our approach; we can now legitimately boast that we have made growth sustainable even with the toughest headwinds against us.

For this second term in office we have predicated our programme for Government on the basis of achieving 7.5% annual economic growth in GDP terms. We have exceeded that. I will proudly report later on the exact figures reported to me by the Ministry of Finance and the Government Statistics Office which demonstrate this.

To add insult to the injury of those beyond our shores – and, perhaps, some in this very room – who want to see us fail, we have also achieved record annual surpluses. This year's surplus is the highest in our history.

Mr Speaker, the data I will disclose today will also show that we have delivered and continue to deliver a significant increase in our employment levels in numbers never seen before in our economy. At the same time, we have delivered and continue to deliver record low unemployment. Where are the unemployables now that hon. Members used to refer to when they had 400 unemployed and another 1,000 on the Government training scheme on half the minimum wage? Indeed, no one who kept young and not-so-young workers on half the minimum wage has the right to call us 'unsocialist' or to pontificate to us about the meaning of socialism. Our people will not forget that this is what hon. Members opposite really represent and what they really did when they held the reins of power. They are the party of half the minimum wage.

And yet at the same time, whilst we will not tolerate the payment of half the minimum wage to anyone, we are also a Government that has delivered and continues to deliver an overall reduction in the cost of doing business in Gibraltar in order to maintain our attraction as a jurisdiction. I have no doubt that I may hear some suggestion from Members opposite that this balance is not quite right. They have said so in other years, yet they have an insurmountable problem in this respect. As I will demonstrate, the numbers of employees in our economy is up, and it is not just slightly up, it is considerably up, and that measure is one which they cannot challenge in terms of our success in getting the cost of doing business in Gibraltar broadly right – although we will continue to talk to the Chamber and the Federation to ensure that we are keeping the balance and the calibration right.

Additionally, it is clear and clearer that these are very positive numbers and they are no flash in the pan. We cannot make up these numbers year on year. There is no veneer here; there is no hidden debt, there is no flattery of figures. The mechanisms we are using are exactly the same as the ones that they used. The roles are now reversed. Hon. Members opposite have been saying now for eight years that we would soon see surpluses fall, that we could not sustain the growth, that great disasters were looming and about to befall us. Mr Clinton specifically said in 2016 that there was a gathering financial storm, but Storm Roy was little more than an irritating breeze. It is clear now for everyone to see that they were the ones making it up; they were the ones keeping their fingers crossed and praying for a disaster to befall our nation so that they might be blown into Government by the storm that never came.

In fact, Mr Speaker, I know that I am expected to now embark on another futile process of trying to persuade the Official Opposition to approve the Estimates of Income and Expenditure for 2019-20 and reflect on the year that has recently closed – 2018-19 – as every other Official Opposition has since 1969. I am also aware that we will face the same tired and tested position from the Opposition, adopted on Mr Clinton's arrival in this House, that they will vote against the Appropriation Bill because the Estimates Book does not, to use their words, contain all of the Government's expenditure.

Mr Speaker, I have considered my job to be, for the past two years, to seek to persuade hon. Members opposite – not the independent Member, who does not need persuading – why I think that they are wrong. This year I am not going to follow that pattern again. It is clear that they are committed to voting against our spending. They are committed to voting against the money to pay teachers their existing salaries, let alone any uplifts, although they then pretend the opposite when it is convenient to them. They are committed to not voting the money to pay nurses and law enforcement officers, or doctors or refuse collectors. All the people they pretend to champion are in fact paid in this financial year, and no doubt in the next financial year, only as a result of our votes on this side of the House and the vote of the hon. Lady.

The Hon. Mr Llamas, to be fair, has made more of a dog's dinner of his voting record and has voted once already not to pay his colleagues in the Civil Service and is likely to take that position again. Interestingly, as it is an election year, if Mr Llamas were not to stand for election – his choice – or if he were to stand but not be elected – he would be a much better choice than some others, Mr Speaker – apart from being free to visit as many dog shows as he likes without having

to miss Parliament, he may also find that he returns to the Civil Service to receive a salary he himself has sought to vote down. How ironic!

465 But this year I will not seek to persuade them to support this Bill. In fact, I want them *not* to support the Bill, because I want to visit every public sector workplace, every estate in Gibraltar, every area in which we are spending, and I want to say, 'You are open for business, this service is happening, these events are happening, you are being paid *despite* the GSD and thanks to the vote of the GSLP Liberals and the hon. Lady.'

470 That is Roy Clinton's big idea. That is what the Official Opposition in Gibraltar now stands for. And why: because he does not like the layout of a book that has not changed since his party was in Government; because he wants to change the application of principles of public finance which have not changed under my Government since the time that the party that he represents was in office. What a big idea, Mr Speaker.

475 Talking of conflicts of interest, isn't that a massive one? How can Mr Clinton nonchalantly sit there and argue against the principles established by his own party when they were in office? Indeed, Mr Feetham voted for Budgets organised around these principles when he sat here as a Minister. He voted for even my Budgets when he sat there as Leader of the Opposition – and then, on Mr Clinton's arrival, he started voting against. Consistency is what I think they call it, Mr Speaker. In fact, I do recall the time that Mr Feetham had toyed with voting against the
480 Budget in 2015 and Sir Peter prevailed upon him not to do so. What a pity that the GSD's counsel on these and other matters is now not as wise. Who would have said we on this side of the House would miss Sir Peter's counsel?

Whether the Opposition like it or not, this Book is the product of months and months of hard work by Government officials. It involves all Departments, agencies and authorities providing an
485 estimate of their costs for the year to come and their best estimate of income for the next year. This is no mean feat for an economy the size of Gibraltar where we are projecting revenue of close to £700 million and expenditure of just over £676 million for the current financial year. Preparing this book is an exercise that involves all strands of Government from around November each year. Countless civil servants, controlling officers, agency and authority heads,
490 all of them collating information and submitting bids for their budgets for the following year. It involves numerous meetings with countless individuals, including my finance team and all departmental finance teams, to seek to arrive at estimates that are credible and deliverable. It involves not just delivering Government policy, but, as I see many times, the personal aspirations of heads of Departments, agencies and authorities who want to make a difference to this
495 community and deliver more to the public. They want to provide a better service and be more responsive, and they seek the investment from the Ministry of Finance in their areas of expenditure in order to be able to do so. This is a side of Government I see as Minister for Finance that perhaps others in our community do not see. These public servants put forward their ideas and their views and work hard at determining the costs for this. Some of these
500 proposals make it through to the Estimates Book; many do not, for a variety of different reasons. And all of this work is filtered out to come up with this Book, the Estimates of Expenditure, and all of that work building to the debate in this House this week.

And all for the Opposition to skim through it and dismiss it because, according to one of them, everything is not accounted for in this Book. But what about what is accounted for? What
505 about the £676 million of recurrent expenditure that is going through this Book? There is plenty for us to dig our teeth into, I can assure you. The Opposition may say that the Book is incomplete, it does not have all of the Government's projects, but look at the detail of what there is there – all of it produced within 20 days of the year end – and it is really quite remarkable.

510 The production of the Estimates Book is also a process that is done with relative success despite the level of detail and the disparate nature of Government. Mr Speaker, as you well know, a Government is not a simple company that has a sole objective; it is a fluid organ of the people, for the people and by the people, reacting to everyday events, sometimes incurring

costs a company would never contemplate because of circumstances, or indeed, at times, political pressures. And all of those civil servants involved do a fine job of it. You only need to look at the last year. They projected expenditure of £628 million – or £621 million as adjusted for the Community Care contribution. The forecast outturn for the year was actually £624 million. Some Departments are over and some are under, but by and large and overall we have controlled Government expenditure to within Budget – this year to below Budget, in fact.

In his 2015-16 address Mr Feetham said this:

In the year ending 2014, the Government had overspent by £50 million across Government Departments, and this year it has overspent by £28 million.

His finest hour, Mr Speaker. Well, this year we have kept things within trim and underspent overall by well over £4 million – almost £5 million. You will agree, Mr Speaker – and I dare say even Mr Feetham might agree – that this level of control over recurrent expenditure, within 1% of Budget, is something any Government ought to be congratulated over. I look forward to seeing the mental and linguistic gymnastics necessary for Mr Feetham and Mr Clinton to justify not congratulating us on this underspend in recurrent expenditure.

And this in the final year before an election. No one can therefore accuse me this year of having thrown money around like confetti, surely – I spent less than the House voted. I have got more confetti than I used, Mr Speaker. Or is it that this year they are going to accuse me of the opposite, despite having urged prudence and caution upon me as if it were a lotion or a balm to soothe the Brexit wound?

The Opposition may say that there is Government activity that is outside the Book. They are right, we have never suggested the opposite, but what is outside the Book in recurring expenditure terms is exactly what they put there. This is hugely important because it illustrates their unmatched political hypocrisy. What we have put outside the Book in companies are capital projects which relate to investments in Gibraltar and are therefore transparent in their obvious and freestanding construction and existence. Perhaps they are blind and they do not see them, Mr Speaker.

Later today a presentation will go up on the Government website which will include all of this information, showing completed capital projects and ongoing capital projects. It will show those being funded through the I&DF and those being funded through the company structure. It collects in one place the information already disclosed. It allows any citizen to go on a metaphorical stroll through Gibraltar and see our projects and see the costs and how we have funded them. So what is hidden, Mr Speaker? Nothing. What legitimate reason is there to withhold support to this Bill? None. For our two terms in government to date the presentation will show the capital projects, the costs of which I have disclosed every year and the construction of which they must be aware of. This is what we have put in some instances in companies, like they did, and in some instances in the I&DF, like they did.

No one will not know we have built schools and are in the process of building comprehensives through the company structure. I have already told the House, so what is being hidden? It was in our manifesto that we would build these new schools, so what is being hidden? And wasn't Mr Feetham urging us anyway to deal with the state of Bayside and Bishop Fitzgerald Schools in his 2015 address? One minute they are urging us to act, the next they cry that we are doing everything too quickly. Well, Mr Speaker which is it to be?

Does he really think the public care for the distinction of how we have structured these capital projects, as long as it is done in a proper way that is properly structured and financed in a way that is affordable? What our people want is new schools expeditiously built for our children, providing the best possible value for the taxpayer. In that respect, Mr Feetham's argument is not that the schools are costing too much; it is that they are costing too little. He could not believe how much we would build the comprehensives for. As a result, when we tell them what our projects cost, their reaction is not to tell us that we are spending too much, it is to tell us that

the contractor is charging us too little – and they give encouragement to contractors to charge us more.

So what is the issue? What are they really quibbling about? How we have chosen to structure these projects is no different to the construction of the 50/50 housing schemes which they undertook, so if they detect any admissions in what I am saying they are admissions that we have acted in entirely the same way as they acted. If it made sense for the GSD to build houses through the companies and car parks through the companies, and to mortgage those car parks as the hon. Members opposite did, why does it not make sense to build schools, a power plant or sports projects through the company structure? What makes it right when they do it and wrong when we do? Is it scale? Is it our level of ambition for our community? Is it the time of delivery? It is actually probably no more than scale, ambition and delivery that Members opposite were pressing us for in the 2015 General Election.

There really needs to be more consistency of messaging from hon. Members opposite – or do they think that they are like an Etch-a-Sketch device, so that every time they change their leader, which happens so frequently that I am starting to lose count, there is a shake up and all their previous messages are erased? Perhaps it is wishful thinking that they might be able to erase some of their past dealings. We go from ‘You must build schools quickly’ to ‘There is too much construction’. We go from ‘We must curb Government recurrent expenditure’ to ‘But why haven’t you already settled the 46% pay claim?’ We go from ‘The Government is spending too much’ to ‘Have you seen the shabby state of the Parliament building? Why aren’t you spending more and fixing it?’ I could go on, Mr Speaker, because such is the political schizophrenia on the Opposition benches – and they were the ones who coined the phrase of me that I am ‘trying to be all things to all men’. Well, I guess imitation is the greatest form of flattery.

Turning once again to the question of the companies, I will try to use a rationale that Members opposite may understand. Putting things in companies is far from the easy way out, as they seem to be suggesting by their newfound and almost evangelical zeal against it. Putting a project through a company requires the value of property in the company in question to be maintained. That is not the case with projects developed under the I&DF expenditure part of the Estimates Book. In turn, the properties that are in companies need to be maintained and produce an income if they are to retain value and pass the scrutiny of an audit. All too often we have allowed property which is socially and economically valuable to us to fall into disrepair simply because it is obscured from view, as once it is constructed and paid for via the I&DF it simply disappears into the wider pool of Government property. The terrible state in which we found the rental housing estates is testament to that – indeed, the terrible state in which we found the schools. We have invested millions to put this right. Mr Speaker, do you think those tenants care how we structure the refurbishment of the estates, as long as it is done properly, safely, transparently and securely? What tenants rightly care about is having homes that do not have damp, that keep out the cold and the wet and that are inviting homes to live in, as opposed to neglected estates that are in the I&DF. Similarly, most property that can produce an income to maintain value has been structured through the companies because the GSD started that process. The new schools are an example of that.

All of this does not detract from the incredible detail provided in this Book of income and expenditure, which includes all the recurrent expenditure of the Government, its agencies and authorities. Notable exceptions to this are the Bus Company, the company that runs the Airport, the companies that manage the car parks, King’s Bastion Leisure Centre and – the only one for which we are responsible – GJBS. GJBS was created by the first GSLP administration and is a huge success story. The others were all companies created by the GSD, and there, before our time. In any event, we do provide a figure in this book for each of these. It is not hidden; it is there for all to see.

We introduced, in the first Budget after we were elected, the transfer of £25 million to the companies to meet recurrent expenditure. For next year we have increased this sum and it is now set at £30 million to top up the companies and ensure they do not have unsustainable

losses year after year, as we found when we were first elected and happened under hon. Members opposite. This is not the position we inherited, when no provision had been made for years for the company and they were carrying accumulated losses to the tune of £100 million of GSD debt. We have redressed this by our annual contributions, which have the effect, of course, of reducing our surpluses when compared with those declared by them when they were in office.

Redressing the effect of their failure to properly manage the Government companies is what we are also having to do with the exercise to finalise all the company accounts. By the end of this calendar year we expect the vast majority of companies to be audited and complete to the end of the year, December 2018. Mr Clinton will protest that this is taking so long – indeed, it is not fast enough – but as he will well know, putting things up to date in accounting terms and then having these audited all takes time if it is to be done properly, especially when we are having to deal with a catch-up of 16 years of failure to file accounts. I can assure you, Mr Speaker, we are the most up to date we have ever been with all of the accounting work. Having done so, the audit process can begin where this has not started already. In many cases a lot of this work is underway and almost completed.

For the new companies that my own Government has set up we have produced and are producing the accounts on a timely basis. Mr Clinton kept pressing me for the Credit Finance accounts, almost doubting my repeated statements that these would be filed. Yes, there were challenges to getting this done, which he would have understood when he saw those accounts, but I said last year that he would have them, and he has: box ticked. He has since made some minor comments on these, but they are now largely forgotten. He seems to want accounts for the purpose of saying they exist, as if his task were some sort of completeness registrar with just boxes to tick. We are the builders on this side of the House, the workers, the deliverers. He is the box tucker.

Similarly, the accounts of other companies like ES Limited are up to date. GIB accounts have recently been filed and we are making good progress with GJBS's accounts, with 2016 audited and the 2017 audit well underway. GCP Investments is also quite up to date, to 2017. The Bus Company is up to date to 2017 and the 2018 accounts will be filed shortly. And the list goes on.

Mr Speaker, as you will appreciate, the audits for the main parent companies cannot be completed until all the subsidiaries are completed, but we are getting there. If they had not failed to file the accounts in the time that they were in office we would have got there already. I expect that by the end of the calendar year we will have virtually everything up to date. The idea is to emulate what we have achieved with PAYE, namely to commence next year with only the current year of accounts outstanding. If Mr Clinton is still a Member of the House next year, he can then look at the accounts at his leisure and we will see where he focuses his questions then.

But the fact that we are now almost up to date with the accounts of the companies that they failed to file should, *please*, not stop them from voting against this Budget Bill. I implore them not to support it, or they will stand in the way of my strategy of telling every single public servant that the GSD voted against their pay packet and telling every single citizen that the GSD voted against the spending on each one of the new projects.

The fact is that in the time we have been in office the Government which I lead has provided support for all of our working families and not just public servants, with Income Tax already abolished for those on income levels of below £11,200. There has been a significant reduction in Income Tax across the board for all taxpayers and many of our working families have benefited from an increase in the national minimum wage to date of over 25%, or over a quarter since we were first re-elected. A lot of that work I have done in collusion – and I use that word advisedly, Mr Speaker – with Unite the Union, in particular Victor Ochello and Albert Hewitt, both of whom have recently retired from their roles, and with their colleagues. We have enjoyed a fruitful relationship that has produced excellent results for working people. We will continue that work with their successors in the union and, I hope, with them in retirement too.

Our public servants have also benefited, with public sector pay increases, since we were first elected, by a total of 20.4% to date, which averages to 2.9% over the last seven years, during which period inflation has averaged 1.95% per annum. That means there has been an average annual increase of 1% above inflation. These are above inflation average increases every year since we were elected, afforded to every single public servant. Of course, this increase ignores any reduction attributable to the cap on salaries for those earning more than £46,000. I will deal with the pay cap in more detail later in this speech. Additionally, we have radically changed the working hours of civil servants in keeping with their longstanding request in this respect.

Of course our senior citizens, who are the ones more likely to have been from the evacuation, referendum and closed Frontier generation, have also shared in our nation's economic successes year on year. Each year there have been annual increases in old age pensions and the minimum income guarantee. Importantly, in order to address concerns put to us by pensioners who have worked all their lives in the private sector and who did not have pensions, we have implemented a system that ensures that every pensioner in our society will have at least the minimum wage per couple, or two thirds thereof for an individual. That is a massive step forward for many people, although of course I do realise that many people want more – but there is a difference between poverty and wanting more; those are two very different things. I nonetheless look forward to hearing what the Action On Poverty Group will want to tell me about what they perceive to be their concerns and how these might be addressed. Additionally, the rates offered by the Savings Bank have been revised to reflect the reality of continuing low interest rates, but pensioners continue to have products available which offer them above market interest rates on their savings with the Gibraltar Savings Bank.

For our children we are investing capital expenditure and recurrent expenditure in the new Children's Primary Care Centre. This is a dream come true for many parents. No longer will our children have to attend the same primary care facility as adults. No longer will we have adults with potentially infectious illnesses sharing the same space as those of our children who need primary medical attention. Our children will, in coming weeks, have the benefit of their own Primary Care Centre. This will include the area for dentists and all the facilities required. I cannot wait for this facility, which is one of our key manifesto commitments, to be opened in coming weeks. It is really a state-of-the-art facility. So, when we are accused of spending money I am delighted to plead guilty to spending the money we have available on those who most deserve it and on the most important causes.

Additionally, all adults on the Group Practice Medical Scheme will enjoy a new Primary Care Centre to be opened at the eastern end of the St Bernard's Hospital site. This is really also going to be a huge step forward for healthcare in Gibraltar. Primary care is going to be truly first class in Gibraltar, and not just in terms of buildings: all systems will be revamped. The experience will really be superb for all patients and it will also help us to decongest A&E next door at St Bernard's Hospital.

Ironically, the Budget debate of 1969 also included an appropriation to create Gibraltar's first health centre on Line Wall Road and Casemates. Ms Rose Suissa, who has been in the GHA since those days and opened the first files for the patients who saw the three GPs available there, was responsible also for showing me around the new Children's PCC and the new PCC two weeks ago. It is fascinating to hear her tell the story of how we have developed since then and to see the excitement and enthusiasm she betrays as she talks of the new facilities which we will be opening in coming weeks. Good people like Rose make all the difference in the public sector. (A Member: Hear, hear.)

This year we will be starting work at last also on the Jewish Home for the Elderly. This is one of the projects which has not progressed because we have been working with the Jewish community representatives, and we have chopped and changed the ideas so often to make the best of the space for the community that we have instead made no progress. I welcome the petition sent to me by members of that community and presented to me by Mr and Mrs Benggio. I have since met also with the President of the Jewish Community, James Levy QC,

and agreed that we will start the stripping-out works in August. The laser-like focus of Minister Costa is now fully trained on starting the process of delivering this project. Good luck to anyone who wants to stand in the way!

720 But of course these investments, these services, cost money – millions – but it is money well spent because it is right and proper that we should be spending on these new services. I should also just point out, before hon. Members opposite pounce, that departmental expenditure has increased in the past seven years since we were elected by an average of 7.5% per annum, or 6.2% year on year taken on a compound basis. Ironically, recurrent expenditure grew by an
725 average of 17.8% per annum in the five years before we took over, and the GSD, who were allegedly prudent, presided over that huge annual recurrent increase in cost, with capital expenditure also in companies. It really does prove that hon. Members opposite say one thing when they are in opposition and they do another when they are in government. The old Latin maxim of *in vino veritas* is more like *en poder veras como haremos lo opuesto* when it comes to
730 everything Members opposite say.

It is right, as I told the House last year, for a socialist Government to spend money in all areas of services and to have a view across the spectrum of generations. Infants, children, young people, young adults, adults, the elderly, the sick and the infirm, those in work and those out of work – each and every one of them is the beneficiary of programmes or benefits which this
735 Government has rightly introduced, because the Socialist Labour Party that Joe Bossano, a legend in his own lifetime, founded and that I have the honour to lead today, in association also with our colleagues from the Liberal Party, is a party for all generations of Gibraltarians.

Mr Speaker, given those remarks, the next think to say that might roll off the tongue would be that we are a party that supports our nation from the cradle to the grave, but that would be
740 inaccurate because one of the things we have done that we are proudest of was the introduction of state-funded IVF treatment for couples – when I say ‘couples’ I mean couples of any gender combination, as we have also ensured that we have ended all discrimination on the grounds of sexual orientation – so ‘from the cradle to the grave’ does not do justice or cover the scope of the GSLP Liberals’ reach. Literally from the fertilisation of the egg we have been there
745 to provide support. And so, when I am told that we have not delivered our much vaunted New Dawn of 2011 I am able to laugh off such cheap and unimaginative criticism so poorly expressed. You see, Mr Speaker, I have met the boys and girls who would never have been born if it were not for the New Dawn. I am saying these things in the knowledge of the fact that we have a Bill on the Order Paper that will deal with similar issues because we are there as a party to provide
750 investment – because all of this is money that we are spending for good reason – from conception to the grave. That is the spread of our support. Additionally, the Government has already published a Command Paper on Surrogacy to properly regulate this practice also, and we are also in the process of seeking an agreement to introduce for all our citizens a service for the extraction and maintenance of stem cells at birth from the umbilical cord.

755 From conception and birth, through schooling and further education – also something which Joe Bossano’s Governments introduced as a right: the opportunity to go to study tertiary education in the United Kingdom – through to fairer taxation and remuneration in our working lives, when and how we buy our homes and build and nurture our families, into retirement and into our old age and dotage, we are investing in all those stages of life in Gibraltar, we are
760 investing in all generations in Gibraltar and we are honouring, in that way, each of the outstanding generations that have got us to this moment in our success as a people, as well as planning for our future generations and protecting their interests too.

This week I met with representatives of the Chamber of Commerce and the Federation of Small Businesses to consider how they can work with us, with the Department of Education in
765 their ongoing work on the introduction of T-Levels in Gibraltar. Alongside our support for students of more academic courses and subjects, this demonstrates our full support for the coming generations of Gibraltarians.

That is how we are laying the strongest foundations for our future, for our nation and for our people: supporting every generation from conception to the grave; maximising investment in our key resource, our people, just as we have done since 1988 when we first had the chance to change the course of our nation's history and we did so immediately in a way that has percolated through the decades and produced the economic growth that we can boast of today.

In the Gibraltar of 1969, in that Budget debate then before the newly minted House of Assembly, there were three scholarships available. After 1988, the number was unlimited for first degrees. Anyone who found a place at university had the right, as a result of the first socialist Government, to attend a university course of their choice. There are now around 852 Gibraltarian students on Government scholarships studying away from Gibraltar at any one time, and they will be very pleased with one of the Budget measures I will announce later in this speech. And now we have the comfort of knowing also that we have agreed with the United Kingdom that we will be able to continue to pay home student tuition fee rates even post Brexit to be able us to continue to afford this investment.

I will not tire of using that great policy as an example, not just of a great socialist investment in our people but of how wrong our opponents usually are on the macro-economic issues they raise against us. The introduction of scholarships for all is one of the many times that our opponents have said that we would bankrupt Gibraltar: that, the loan to the *Sunborn*, the £400 million investment of Savings Bank moneys in Credit Finance and the payment of commutations to civil servants, the £300 million investment in Gibraltar ahead of Brexit. Every time our opponents question an important economic decision taken by the GSLP, now the GSLP Liberals, they have got it wrong. Under Peter Caruana, under Daniel Feetham, under Roy Clinton for a few minutes, and now under I do not know who anymore, the GSD get their criticisms and claims of impending disaster and bankruptcy wrong. Isn't it time, Mr Speaker, that they changed the record?

The fact is that our children and young people represent our future, the future that Franco would have denied us and which we improve every day by investing in every level of their education. This is why we have continued to invest record sums each year in education – the best possible investment in future generations. Since our re-election in 2011 our spending on scholarships has increased fourfold from £4.4 million to a forecast outturn spend of £16.5 million. The estimate for the current year is also £16.7 million. This has been a product of the combination of the addition by us of the right to study for a second degree, the increase in tuition fees and the increases to date in the maintenance grant element of the scholarships. There will be more today. If there are political changes in the United Kingdom, the cost of tuition fees may be reduced for home students. Our agreement with the UK would then lead to a reduction in the cost of tuition fees.

Since our election in 2011 we have not just invested in grants and tertiary education; we have invested also in our schools. What a state they were in! I do not think that any Member opposite has anything to be proud of when it comes to their defence of the GSD's record in respect of investment in our schools. Indeed, no sooner were they out of Government and Mr Feetham was on the opposite benches than he was telling us what a bad state the schools were in. The state of our schools resembled the state of our estates: neglected, abandoned and forgotten. This is what hon. Members called the golden legacy of the GSD, I guess: bone-dry rainy day funds, £200 million in the current account but utter squalor for our children and our tenants. Yes, there is a lot still to do, but my goodness by any measure we have already done so much.

In less than two and a half months we will be moving our two largest schools, Bayside and Westside, into the most impressive secondary school facility I have ever seen. This will undoubtedly be more than just progress. This will be no small step. This will be a giant leap forward for education in Gibraltar and for every single student who has the good fortune to be moving into these schools. Already we have seen the excellent standard of St Bernard's First and Middle Schools. The words of a child at that new school, now four years ago, will stay with me always, on the date of the inauguration: 'Chief Minister, you are an angel. Thank you for our new

820 school.' Mr Speaker, I am no angel, but out of the mouths of babes we hear an unvarnished, untarnished truth about the level of transformation which we have delivered in respect of that school, from Victorian to modern.

Since then, we have also opened the new Notre Dame. What a brilliant new school that is too, and we are now literally just months away from completing the new St Anne's. Work has
825 already started on the new St Martin's. Work starts the day after term ends on the new Bishop Fitzgerald and the new Governor's Meadow, with those schools moving out for a year to the St Anne's and Bayside complex to deconflict the children from the building work. Work is also ongoing at St Joseph's Middle and First Schools, which were developed by the GSLP in 1988 when that facility was returned to the Government by the MoD.

830 But that is not all. We are also going to start work now on plans for a new St Mary's and a new Jewish School, as well as the development of the new College of Further Education, which is to be relocated and rebuilt. This is a genuinely exciting project. Additionally, Mr Speaker, we are talking also to the Jewish community about the potential relocation of the Jewish Primary School happening in the next two to three years.

835 Mr Speaker, remarkably, when we have finished all that, every single school in Gibraltar will have been built by the GSLP Liberals. What better tribute to our commitment to education? What better legacy? That physical reality will demonstrate in bricks and mortar the depth of our commitment for generations.

I want to thank Gilbert Licudi and John Cortes for having delivered these magnificent new
840 facilities in their respective stints as Ministers for Education. They are finally, at last, world class schools. A recent visit by NASUWT officials confirmed their own praise for these new facilities, in particular the inclusion of workshops etc for T-Levels. When the cameras are finally able to step into these new comprehensives the public will see what we have built for two thirds of the cost of the Airport. The public will see what we have done for our future generations. The public will
845 see that we put our nation's money to good use – the best possible investment – and all of that will kick into touch any and all criticisms as to spending which may be levelled against us by Members opposite. And despite Mr Feetham's doubts, we have built these schools on budget. Incredibly, Mr Feetham's complaint – after everything that he has said in successive debates about how much we spend, his complaint in this instance was that we were going to spend too
850 little building the new comprehensives, as I reminded the House earlier. He thought we should be spending closer to £5,000 per square metre instead of £1,000 per square metre. Thank goodness he was not leading the negotiations!

The fact is that I am clear that the GSD would not have made these investments. They had
855 16 years to do so and they failed to open any new schools. At the last election the GSD was not even prepared to commit to a new St Martin's, let alone all the rest of the schools that we are committed to. Indeed, I will not tire of reminding the House that at the time of the Brexit referendum the Hon. Mr Feetham was trying to get me to abandon the GSLP Liberal manifesto.

We, conversely, have been clear from the start: we *would* invest in new schools, we *would* prioritise this investment; we *would* commit where the GSD would not. And we have been
860 prepared to carry the criticism from them on spending because we are doing the right sort of spending, the spending we were elected to deliver, the spending the electorate voted for, using the mechanisms that they had established for the funding of similar projects, the spending our community expected us to deliver.

We will also now deliver another aspect of the modernisation of our schools and education
865 by the introduction of hot school lunches. This will be an important additional step forward as we move towards providing a better diet for our children as well as making life easier for families so that parents do not have to provide lunch themselves each day. As we do so, we should also see a reduction in the use of single-use plastic of the type that is prevalent in most packed-lunch bags.

870 Additionally, in the same way as we are investing in the building fabric of education in our schools, we have also invested in the human capital in our schools. We have added to the

complement of teachers by more than 10%, and we have added to the support available to teachers in schools. We have already equalised pay within the primary sector, adjusted senior teachers' pay to school sizes, regularised a number of pending TLRs with more to go, provided additional aides in classrooms, improved facilities and provided a full maternity leave allowance to teachers on supply for over a year. We will continue that investment because we recognise the huge contribution that teachers make to our community. I will deal also, later in my address, with the pay claim made by the GTA and NASUWT, when I come to address public sector pay generally.

Additionally, of course, we have also developed the University of Gibraltar, and that is now already progressing very well. I want to thank Lord Luce for the work he has done with us in building the University and Minister Gilbert Licudi for his dedication and commitment to the success of that institution, as well as the staff and the newly appointed Vice-Chancellor.

Additionally, we have continued our massive investment in sport. We have worked very hard to deliver transformational facilities for our athletes. These arise in the context of the sale to the Gibraltar Football Association of the Victoria Stadium for £16.5 million. I can confirm to the House today that the GFA has paid the second tranche of the money due to the Government in respect of that purchase. Ten million had been paid in the financial year 2018-19 and I can confirm to the House that the balance of £6.5 million has now been paid in this financial year.

As all hon. Members know, we were keen also to combine the opportunity to create these new facilities with the arrival in Gibraltar of the 2019 Island Games. I want to be clear that the facilities we are building are not for the Island Games, they are for our national athletes and sports men and women, but they are being delivered in time and on a scale designed with those Games in mind. I can today confirm to the House that we will be ready with the new facilities for the Island Games. The works being done do not require us to pay any extra over costs for acceleration, as the date when the facilities were due to be delivered by the contractors was in time for the Island Games.

It is important to note that these are not just sporting facilities; they are also new constant and event venues. The Music Festival will this year be at Europa. They are also facilities that will produce potential new income streams for Gibraltar as they will attract teams for training, teams for competing with Gibraltar teams and their consequent spending – another further diversification of the economy of which we can be proud – as well as facilities for businesses to grow and for the expansion of our existing industries. When they come on stream the community will see also in relation to these facilities that we spend their money wisely. They will like what they see. They will understand that the principles that have driven our spending are safe, sound and secure.

I think it is also important to note that the facilities may require some additional finishing off and snagging post Island Games, of course, but I want to thank the great men and women of GJBS for their work on these projects and indeed on the schools also. Their work is always of the highest quality and their commitment is unquestionable. I was very sorry to hear that quality and commitment called into question earlier this year, Mr Speaker.

Also completed is the student accommodation for the University, which has been delivered in time to be the residential facility for some of the athletes coming to the Games. For this project – also on time and on Budget, as for the other two new comprehensives – it is also right that we should thank Casais, who have also done magnificent work and a tremendous job alongside Steven Linares, who has ensured that we will be ready for the Games.

These facilities that we are developing – sports facilities, new homes, new homes for MoD personnel agreed by the GSD – all of these, are projects where our financial outlay is over a number of financial years but the return will come in the following financial years. That means that we see the cost or part of the cost in this financial year but the benefit and income is not seen until later.

Mr Speaker, the works we are also going to see start in coming weeks are the works on the new affordable homes on the Eastside, Hassan Centenary Terraces. Sales of those homes have

already begun and are going very well. New bridging loan products are also soon to come on to the market to assist those who need to fund rents at the same time as they make interim monthly payments.

We have also announced now the final configuration of Bob Peliza Mews. Works there will start with the dismantlement of the now old Gibeleg power station. We will announce the prices for this new development in the first half of July. We also expect to be able to announce the final configuration and details of the third of our estates, on the site of the existing Westside School, in coming weeks.

Mr Speaker, we have often criticised the GSD for the limited number of affordable homes that they built during their 16-year tenure. When we came into Government we were able to build a greater number of affordable homes in less than half the time that they had done. In delivering these homes, we used the more relaxed underleases that the GSD had introduced and implemented our 50/50 model in Beach View Terraces and Mons Calpe, developments that have since set the benchmark for affordable housing quality. These developments are now buzzing with life, full of Gibraltarian families growing and nurturing our young and thoroughly enjoying their homes. The co-ownership trend has continued. The majority of first-time buyers opt to purchase on a 50/50 basis. Indeed, unlike the GSD, we have not prioritised 100% purchasers over those who might be more deserving, as they did – very ‘unsocialist’. This would have been grossly unfair and indeed it is the type of measure which means that every time they criticise us as ‘unsocialist’ they are failing to recognise the reality of their own record on issues like this and the payment of half the minimum wage.

The result of the success of the concept of the 50/50 schemes is that the capital value to the Government of the residual co-ownership interest across these developments is locked in until a sale crystallises or a co-owner buys out their remaining share. Put simply, the Government funds the entirety of the construction costs but only receives half of the sale proceeds when the flats are sold. In order to ensure that we can continue to build more co-ownership estates for future generations, we have rethought this model, and the thinking of the brilliant Financial Secretary, Albert Mena, and his team has smartly figured out how to put these assets to good use for future generations of Gibraltarians. Instead of co-owning people’s homes without having any access to that equity, or unfairly giving preference to 100% purchasers *à la* GSD, we have sold the Government’s remaining 50% interest in the equity of the properties in the newest co-ownership estates for £165 million of value in a manner that has unlocked that capital value of illiquid residual co-ownership equity interest and made it available to build new co-ownership estates. This sale is also linked to a wider deal that also provides the funding platform and framework for the financing of the construction and development of Hassan Centenary Terraces and potentially other affordable housing schemes in Gibraltar such as Bob Peliza Mews and Europort Avenue. The deal is one that has allowed us to fix our cost of the financing element for the construction period at a rate of 3.29%.

The investment deal involves the sale of co-ownership interests by Gibraltar Residential Properties Limited in the following six affordable housing estates: Waterport Terraces, Cumberland Terraces, Bayview Terraces, Nelson’s View, Beach View Terraces and Mons Calpe Mews. Owners who own on a co-ownership basis can rest assured that their co-ownership terms cannot be altered and will be honoured by the company that has acquired these co-ownership interests. That company is called GIC Limited, a newly incorporated Gibraltar company. GIC Limited will act as a holding company for the subsidiaries established for the construction and development of Hassan Centenary Terraces. The directors of GIC Limited are the Chief Secretary Darren Grech, the acting Accountant General Charles Santos and the Managing Director of Land Property Services Limited Kevin de los Santos, all of whom have my full confidence and are well qualified and experienced to manage this company throughout the deal term.

GIC Limited has been funded through a subscription of shares by Eruca Investments Limited, another newly incorporated Gibraltar company. Eruca also has a strong board of local directors:

Jose Julio Pisharello, a senior and highly respected accountant; Brian Francis, a veteran of the local property scene; and Chris Cavilla, whose banking experience will ensure a smooth operation. Eruca has in turn raised funds through the issue of notes to various institutional investors, all or in part managed by M&G or Barings.

980 The deal is one that realises what would otherwise have been an illiquid residual interest into liquid cash for the development and construction of Hassan Centenary Terraces, as well as unlocking their construction financing.

I reiterate that this sale of the Government's 50% interest will have no practical impact whatsoever on homeowners. Co-owners will just deal with GIC Limited instead of Gibraltar Residential Properties Limited should they choose to sell their property or to buy any or all of their remaining co-ownership share. The terms and valuation for these co-ownership shares will continue to be determined exactly in accordance with the underlease and trust deeds. Nothing will change.

985 One thing that the House will recall also is the litigation to which GRP is presently subjected in Madrid as a result of the dispute between the GSD and a Spanish construction company called Bruesa. That claim by the liquidator of Bruesa for many millions of pounds is against GRP. I will say no more, Mr Speaker, but it is obviously important to keep that litigation in mind when understanding how the Government has structured this transaction.

990 In order to finalise the post-completion aspects of the sale, I will shortly be publishing legislation for approval by Parliament in the form of the Gibraltar Residential Properties Limited (Assignment, Transfer, Vesting, Registration and Notice) Bill 2019. That Act will make provision for the assignment, transfer and vesting of certain rights from GRP to GIC Limited, the exemption of the assignment and transfer from registration requirements under the Land Titles Act 2011 and for the notice of the assignment and transfer to relevant parties and financing institutions. I am offering a meeting to the Opposition and to the independent Member to talk them through the operative parts of the sale deal in the coming weeks before the Bill comes to Parliament.

1000 Mr Speaker, I would just clarify now that there is no security or mortgage over any real estate interest in Gibraltar, nor has the Government provided a guarantee in connection with this transaction in any way. Equally, the structure is flexible and iterative. It allows for a programme to ensure we can always afford to construct homes for our people on a 50/50 basis. The 50% that is retained by Government on the older estates is used to develop the construction of new estates and, in turn, when this new 50% is added to the pool of assets this will provide the foundation for construction of future estates – and so it goes on, generation after generation.

1010 Once again, we have been able to secure a massive foreign investment in Gibraltar with a tremendous amount of planning and effort and I want to thank each and every investor, financial institution and adviser that brought about this investment and the Gibraltar teams that have delivered it. The timing is all the more remarkable given the deal was completed days before Britain's scheduled departure from the EU on 29th March. This transaction yet again serves to highlight the highly positive confidence that international investors have in the strength and resilience of Gibraltar. And all of this despite the repeated suggestions from some Members opposite – Mr Clinton in particular – that the fundamentals of the Gibraltar economy are not as strong as we suggest. Well, Mr Speaker, when we are X-rayed and analysed by international investors who are experts in assessing the strength of the covenants that they invest in, we pass with flying colours, despite the repeated statements from Mr Clinton that would put off any investor who decided that what he was saying was true.

1015 I want to specifically thank Charles Santos, the Acting Accountant General; John Paul Fa, Legal Counsel to the Financial Secretary's Office; and Kevin de los Santos, CEO of LPS. We have truly gifted individuals working for Government, who together can achieve great things. I also want to thank Peter Montegriffo QC, a former Member of the House and the founder of the GSD; Nick Howard, Gemma Vasquez and their legal team; as well as the Minister for Housing, Samantha Sacramento, and Gerry Reading, and her hardworking team at the Ministry of Housing. Their

work has enabled us to put in place a mechanism to continue to deliver affordable housing on a 50/50 basis for generation after generation – self-funding, self-financing.

1030 Once again, Mr Speaker, we deliver for all generations: from the generation in 1988 that embraced Joe Bossano's housing revolution, which alleviated the problem of overcrowding and lack of homes and which has made most of them hundreds of thousands of pounds, to the generation-building families today in the estates we have just delivered, to the generations buying today at the estates we are now selling and to the generations of the future who now
1035 know that we are not going to short-change them and tell them that we cannot afford to build for them in the future.

Whilst still on the subject of housing construction, we have ploughed ahead whilst also correcting the legacy defects at Bayview, Cumberland and Nelson's View. We are committed to repairing the problems with the Bruesa construction of the Mid Harbour Estate. There is some
1040 real political amnesia on behalf of hon. Members opposite, Mr Speaker. They have criticised the deals we have done for Victoria Keys, saying we are investing in homes for the rich; yet in this last term we have already delivered more houses for those who need affordable homes – and with no immediate defects that result in serious exposure to the taxpayer – than they ever did. The issue involving flooring at Beach View Terraces is not major at all and we are totally
1045 committed to fixing it for those tenants who are experiencing it. For Bayview, Cumberland and Nelson's View not only did we finish the job that they left unfinished, but we needed to address the litigation that flowed from their own rotten property deals, which meant we had to face and settle with Barclays and we had to account for the loss of the loans of taxpayers' money which they granted and lost. They do not want to forget that, do they – they do not want to forget that
1050 they gave loans using taxpayers' money and the money was lost? We even have people in those GSD estates who want to hand us back their keys.

I should also inform the House, whilst on the issue of rotten deals, that the Government is in receipt of a claim for a right to light brought by one party supporter of Members opposite in respect of an infringement of light arising from the development by the GSD of affordable
1055 homes. I am advised and must inform the House that the right to light claim made against the Government as a result of the GSD developments is of many millions of pounds. Initial advice on quantum suggests that the claim as drafted is in the region of £5 million to £9.5 million. The Government considers this claim must be defended but we are trying to assess whether in fact the GSD compromised it and accepted this claim without defending it and whether this will have
1060 a negative consequence for the taxpayer. Of course, this claim against the actions of the GSD in office is in addition to the Barclays claim which we dealt with, and the claim I have just referred to in the courts of Madrid also which is outstanding with a claim for over £20 million from the liquidator of Bruesa in respect of Waterport Terraces.

The legacy of claims against the GSD and the potential cost to the taxpayer is unprecedented.
1065 I can imagine that this is a subject that Members opposite will not want to deal with and will want to ignore, but the community cannot ignore this legacy of almost £50 million of taxpayers' money at risk and not available for other worthy purposes because of GSD failures and claims against the GSD and money lost on loans granted with taxpayers' money by the GSD. Yet we get on and we deal with this. We clean up their mess. We continue to invest in our economy and
1070 they just sit back and criticise without the slightest hint of shame or irony. As we say in Gibraltar: what a face and little shame.

I am delighted nonetheless that Gibraltar now has a new power station. It is built and running. Additionally, we have an LNG storage and regasification plant. Establishing it was not without controversy, of course. We will all remember to what extent this debate has in the past
1075 been dominated by issues relating to that source of energy for our community and the location of the new power station. Well, already today anything between 45% and 50% at least of our electricity is being supplied by that new power station from gas. There are times when we are ramping up and up to 75% of our power is coming already from gas. Some nights already, when

consumption is lower, we are enjoying the benefit of 90% of our electricity being supplied from gas.

We took our first consignment of LNG in early January and testing has continued in a methodical manner: first with diesel, then with LNG, then fully on LNG, then swapping between fuels to ensure everything works, then at full capacity for given periods of time. The testing programme is extensive and necessarily takes time to ensure that, when we sign off, Gibraltar has a reliable and safe power supply for many years to come – new, cleaner generating capacity for generations to come.

We are now on our fourth commissioning cargo of LNG, so we know the process works. Clearly we are learning as the testing of the power plant progresses and we increase output to take 100% of our power needs from LNG. Our strategy has been methodical and not to rush. We expect to take full handover of the plant later this summer and as we become confident in our output we will begin to decommission the temporary, expensive but necessary power plant we had to hire to cover and provide supply given our formerly ailing and very poor generating capacity.

Mr Speaker, as you know, we also recently inaugurated the LNG plant itself in partnership with Royal Dutch Shell plc. This represents a revolution in the way power is delivered with next to no noxious gasses and with a reduced level of noise. Whilst LNG plants on a larger scale are common, a small plant like the one developed to meet Gibraltar's power needs is relatively unique. This has attracted attention from Bermuda, and their energy Minister came over for the inauguration as they are also going to invest in a similar albeit slightly larger plant.

It has also positioned us well in this sector as we rekindled our relationship with Shell, an international company that had unfortunately left Gibraltar some years ago. This is also an important example of foreign direct investment, as Shell is not just selling us the LNG – they are our partners in the ownership of the storage and regasification facility. Being on the Shell worldwide map is crucial as cruise ships and other merchant vessels move to LNG power. Shell are strategically placing themselves to deliver LNG across the globe and it would have been a huge and historic mistake to have pursued the GSD line and to have allowed our neighbours to monopolise our unique location for the supply of LNG to vessels in the future. These are the positive consequences of our careful and considered decisions for the investment of our nation's money wisely and to create a new aspect for our bunkering industry at the same time as we are investing in safe and secure power generation. Two birds, one stone: good investment decisions, Mr Speaker.

The new power station will transform Gibraltar's power generating capacity from both a stability and an emissions perspective. We will provide a surer source of power in a better location and in a manner that will improve our air quality dramatically. Mr Hammond talks about air quality: will he now welcome this facility he was so fixated against? Not only will the new power plant not emit dangerous NOx particulates; it will also enable us to shut down four other generating facilities, the generating technology of which is now far from optimum. Indeed, the new facility provides the best available technology, which is what the Government committed itself to do, and the investment has also included the distribution system.

As will later be explained in greater detail by the Minister for the Environment and Climate Change, I am delighted to also be able to report that, for the first time ever, recorded air quality in Gibraltar in 2018 was at its best ever, with all pollutants falling within EU target levels for the first time since records began. This includes nitrogen dioxide, for which the previous Government had to seek a derogation from the EU due to its inability to reach the necessary levels. The trend for the first six months of 2019 shows that air quality continues to improve. We will continue to work to improve air quality further, as the Minister for the Environment will explain in his contribution.

The power station and LNG plant coexist at the end of the Port in a truly symbiotic relationship and in the understated way intended. From there – out of the way and nowhere near our Nature Reserve, where the GSD were going to place their diesel-burning power

monstrosity – this new facility will produce the cleaner and less polluting power that we need to drive this economy. I am reminded that one of the key issues at the last election was that the GSD were saying in their pamphlet that people should vote for them so that they could start the building of the power station in the area of access to the Upper Rock, so that they could start the chimneys burning the diesel in the area of the Upper Rock. People's white dogs would have ended up black with soot! *(Laughter)* Mr Speaker, it is now out of the way. This new facility will produce the clean and less polluting energy that we need to drive this economy.

The Official Opposition recently asked that we advise on the total revised lending amount agreed by ES Limited with Lombard plc. During the development of the plant, the switchgear that is used to distribute energy was also upgraded. It made sense commercially for this to be undertaken by Bouygues given that it needs to interact with the power plant. We therefore were able to agree additional finance with Lombard plc for the equipment involved and this increased the facility that they are able to provide from £55 million to £58 million. ES Limited has not yet drawn down fully on the facility, as this cannot happen until the plant is completed and handed over. In respect of this facility, the Government's thanks must go to Michael Caetano and his team, and his predecessor Manolo Alecio, as well as Hector Montado and his predecessor, Michael Gil.

The negotiations with Shell have been run primarily by the Financial Secretary, Albert Mena, who as usual has been an exemplary servant of the taxpayer in his dedication to getting the best deal for the public purse at every turn. No one, however ill-motivated, will ever be able to fault the way that Mr Mena has run his negotiations or indeed any other single one of his dealings with any aspect of the public finances. Anyone who knows him knows that, and anyone who suggests the contrary will damage their own reputations and credibility in doing so, not Mr Mena's, because any suggestion that attempts to bring Mr Mena into disrepute will immediately be known to be fantastical by anyone with the slightest knowledge of the man, the slightest shred of objectivity and the slightest ounce of human decency.

Additionally, the community must be reminded that it was Sir Joe Bossano who was clear eight years ago that we had to abandon diesel. John Cortes agreed with him. Together they were a formidable force to stop the GSD's power station spewing diesel at the entrance of the Upper Rock Nature Reserve. The costs were greater and the funding required an agreement to increase the cost of electricity to every subscriber by 100% if we had pursued the GSD's power station. It is important that no one in this community, whether residential subscribers of electricity or business subscribers of electricity, forgets that this is what the GSD would have delivered. For all their talk of prudence, the GSD would have added 100% to the cost of electricity for every home and every business in our community, and that is before we start looking at the pollution that the GSD's power station would have been responsible for. They would have created an additional pollution emergency just with that project, and additionally the diesel power station would have attracted fines for the pollution it would have emitted from the word go. They were planning a new station that they knew would be fined from the moment that they turned on the first engine. Well, no 100% increases in utilities from us, Mr Speaker; no fines to us. This was one of the big arguments of the last 10 years and we were right. We were right again on this, as we were on scholarships, as we were on the Airport agreement and on the Brussels process and on the cherry-picking argument on the Cordoba agreements. You name it, we have been right on all the big arguments.

Mr Speaker, when Mr Hammond rises to address us on the environment, can I ask him to please tell us how he reconciles his alleged concern for the environment and air quality with his support for this diesel monstrosity that they were going to erect? I will look forward to hearing what he has to say. When Mr Clinton rises to address us on book keeping, can I ask him to please tell us how he reconciles his alleged concern for costs to taxpayers and prudence with the need to increase the cost of electricity by 100% to every consumer and the fines that would be applied for the pollution immediately once the plant opened; how he feels about the losses of loans made by taxpayers' money by the GSD, the losses in the claims against the GSD and the

outstanding liabilities on claims against the GSD, including the claim from one of their supporters for millions of pounds arising from a GSD development? How does he feel about that? Question Time is about hon. Members asking questions of the Government, but this is a debate about the Estimates. Surely they must tell us how they feel about those losses arising from the GSD's management of our economy in the time they were in office and the manifesto that he defended at the General Election which proposed that power station that would attract that greater cost. I will not hold my breath for an answer.

I know that attack is the best form of defence, but Mr Clinton might helpfully just park some of his other subjects of attack and descend into dealing with the issues that the GSD is responsible for before seeking to cast the first stone against us. In fact, it is clear to me that they have no answers to the huge liabilities that we have uncovered that they are responsible for. For that reason, the Government will consider convening select committees to further investigate each one of these expensive debacles that have resulted in huge losses of taxpayers' funds as a result of the actions of Mr Clinton's party.

Mr Speaker, moving on and with all these very positive numbers in our possession on the performance of the economy and the public finances, all of them so positive, it is also fair to ask questions about quality of life and about our environment and surroundings.

Is there too much development in Gibraltar? Yes. It drives GDP and average earnings and employment, but there is probably too much now going on.

Is there a choice? Well, there is some choice, but if we want the schools to be done we have to build them, and if we want the schools to be paid for we have to have income.

Can we do things more slowly? Yes, but then the schools will be in a worse state for longer, and when we do things more slowly, does it resolve matters? We did the estates refurbishment a little more slowly and it has not felt better for the people who live on the estates; it has felt as if the estates were suffering the effects of the works for longer.

So, in our book it is time to also concentrate on another approach. We want to develop also in a different way, not just economically. That is why we invested in Commonwealth Park, although we were roundly criticised for doing so by the GSD. And that is why we have taken the decision to open the Nuffield Pool and not proceed with the GSD project to build a hotel tower on that site. In fact, one of the worst aspects of the plans of hon. Members opposite for that site was that they were ceding the Nuffield Pool site for no premium to the developer. Yes, Mr Speaker, you heard right: they were ceding that site for no premium. So we are going to keep that site accessible for our people. After all, we were denied entry to it for years, and we will now be the users of it. Indeed, the site is a little like that of the Garrison Library but for bathing. This will be a safe site for our people to enjoy leisure and open spaces. This year it will also be a site for part of the Island Games activity.

We are also going to see even more positive developments in the area of the Northern Defences and the development into part of the area south of the Midtown development. This will come on stream very quickly now. Yes, it was part of the original design of that area by the GSD, but hon. Members will recall that this was to be the only open area they would provide, with more towers to be built where Commonwealth Park is now. We reduced the size of what they had ceded at Midtown, we took back one third of the site for the taxpayer and the public, we kept their small area of park and we added Commonwealth Park and stopped the development on Commonwealth Park of the towers that they were going to build. We legislated, in fact, to protect Commonwealth Park and they did not support our Bill in that respect. Well, we have re-engineered the whole of this area and we are going to make this Midtown Park now complementary to Commonwealth Park.

But there is to be one key new development and reclamation, and I really no longer understand what the position of Members opposite for the Official Opposition is. I am of course referring to the new reclamation at Coaling Island, Victoria Keys. Mr Clinton said in his speech in 2016 that he welcomed the announcement of the Coaling Island reclamation project, yet a year later, in 2017, he had changed his tune, suggesting it was not so exciting a project because we

1235 were going to be involved in the reclamation. It seems the only bit he does not like is that we
have found someone else to pay for it, paying us interest for lending them the money to carry
out the reclamation and give us half the reclaimed land for free. This is really quite a remarkable
1240 position for Mr Clinton to take, given that in all our modern history all reclamations have been
carried out by the Government itself at our own cost and under our own risk. It is not to say that
there have been any reclamations that they or anybody else was responsible for where a third
party took the risk of the reclamation, funded the reclamation and did the reclamation. It has
never happened. This is the first time that we have been able, having proven the model, to pass
the risk of the reclaiming to a third party – a good thing too. Additionally, instead of them going
to Barclays or HSBC to obtain the funding for the work on the reclamation, we have agreed that
1245 they must borrow from us. That is a very good thing. Why is it a very good thing? Because it
means that we also get the interest that arises from the lending, and at no risk as we will be fully
secured over that reclaimed land. So very good news indeed, Mr Speaker.

As ever, one of the issues we hear is that the Opposition say they want to know more and
more about the deal. On 8th April 2019 we announced that we had agreed commercial terms for
1250 Victoria Keys, the creation of that new reclamation and the subsequent development within the
harbour. We released the names of the companies involved. The names of the directors who
stand behind these companies are publicly available, as reported by GBC. The directors are well
known: Jimmy Garbarino represents the Montagu Group, responsible for developing Europlaza,
Europa Mews, Genista House, Harbour Views, Kings Bastion, Midtown, Montagu Crescent,
1255 Montagu Gardens, Northview Terraces, King's Wharf, Sunset Close, Sunrise Court, the
Anchorage and Vineyards – that is to say they have developed projects under all administrations,
the majority for the 16 years that they were in power; Isaac Levy, who represents his family's
company, a family that has developed the ICC, Both Worlds, Leanse Place, NatWest House and
Midtown, amongst others – that is to say they have developed properties under all
1260 administrations that Gibraltar has enjoyed; Paul Butler, who has a long track record in Gibraltar
from his days at Marina Bay and he has developed the Island and the Sails – that is to say he has
developed projects under all administrations; and lastly, Lawrence Isola, for his family interests,
who play a key role within the Atlantic Suites, King's Wharf, Europlaza, Portland House and
Europort developments, and yes he has a brother in the Government – that is to say they have
1265 developed projects under all administrations. So, the most established Gibraltar developers,
who have worked with all the administrations, brought together in a club to develop the
reclamation for the Government. I find it difficult to understand that the GSD might think that
there is anything unusual about a consortium of people who have a long trajectory of
development under successive administrations. They are all well known to them and to the
1270 leaders of their party.

What is more, we have announced the funding mechanisms that have been agreed in
principle with the developers. We also have announced the minimum cost for which we will sell
our share of the site. Short of sharing the commercial agreements we have entered into – which
are obviously, by their nature, commercially sensitive in nature, at least at this stage – what
1275 exactly is it that have we not been transparent with? Perhaps what is lost to the GSD is the
potential that lies behind a project of this magnitude – or maybe they appreciate it and that is
why they are criticising it.

I am sure that most of our people will see the value in large-scale projects like this. It is
resoundingly positive for our economy, especially given the undeniable uncertainty that Brexit
1280 has shrouded us in. One only needs to follow the media reports in the UK to see that the only
decisions being taken in the UK are by investors who want to leave the jurisdiction. This
morning's *Financial Times* suggests that £300 billion is being invested in Europe rather than in
the United Kingdom as a result of Brexit. Yet here we do not have developers who are deferring
their investment decisions; here we have local developers, with proven track records under all
1285 administrations, prepared to make long-term, large-scale investments. What is wrong with that?
These are not people who are here today and gone tomorrow; they have roots in our

community. Perhaps the GSD would have preferred that we hand over these opportunities to external investors instead?

1290 The development will, in particular, be designed to be carbon positive, green and a garden
city. This is a development that is going to improve our environment and give people more
access to the sea front. In terms of the type of property to be developed, we can see in Victoria
Keys an opportunity for those who can and want to move up the property ladder. This provides
opportunities for those Gibraltarians at the same time as we are putting about 1,500 more
1295 affordable 50/50 homes on the market also, so we are providing for all strata of property in the
market. The fact is that homes of the type we will see at Victoria Keys are not for what I hear
people refer to as 'rich foreigners'. Testament to this is the popularity of new and similar
developments that have been oversubscribed by Gibraltar residents. Take Quay 31, for example:
a development with a total of 84 residential properties, of which 62 have been purchased by
Gibraltarian owner-occupiers. That is a Gibraltarian owner-occupancy rate of 74%. That is hardly
1300 the picture of empty flats for Cat-2s that some set out to portray. At Midtown and at Quay 29
the rate is also well over 50% owned by Gibraltarians. Victoria Keys will be a mixed-use
development. The developer is taking interest from the market. The developer is even keen on
exploring a new type of private accommodation, also for first-time home buyers. All of this is
untapped potential that we are in the process of unlocking. It would be far easier to aim low or
1305 to do nothing, but that is not what people deserve and it is not our style. Instead, this is a
development that can produce 100,000 square metres of floor space. That means more jobs for
hotels, more business for furniture retailers, carpenters, plumbers, estate agents, surveyors,
gardeners, maintenance personnel, lawyers – the list goes on. This is an important part of how
we keep this economy going.

1310 Threats of Gibraltar becoming like Monaco with descriptions of local residents being priced
out of their homes ring hollow in Gibraltar. Firstly, the level of affordable homes that has been
delivered to date and which is planned for delivery – if we are re-elected – is of an
unprecedented scale. We, as a nation, have grown and homeowner levels have never been
higher. We are on track to exceed even the number of homes built by the first GSLP
1315 administration. As the old Chinese proverb says, growth is a rising tide that lifts all boats – never
more apt than for a reclamation like this one that will rise from the sea. If anything, we have
implemented the Monaco trend in reverse: locals who have previously lived in nearby Spain and
commuted to Gibraltar on weekdays are now making Gibraltar their primary residence. I
welcome the opportunities we are creating for these Gibraltarians to come back home and pay
1320 tax in Gibraltar. In Gibraltar, it is undeniable that Gibraltarians have participated in the growth of
our economy. Pay packets have increased and home values have increased steadily. Job
opportunities for Gibraltarians are greater than ever. We are not Monaco, Mr Speaker: we are
better, we are Gibraltar, and it is developments like this that play to our continued success for us
and for future generations in decades to come.

1325 Sir Joe had the foresight of growth when he reclaimed Westside with Pepe Baldachino for
new homes and when he reclaimed, to develop, Europort with Michael Feetham. At first it was a
ghost town and the subject of perennial criticism. I remember when the young Med and Calpe
members would play football on Europort Avenue, such was the lack of cars in that area at the
time. Yet Europort paved the way for the gaming companies to set up and over time
1330 demonstrated its key role in Gibraltar's offering as a financial services hub. It is this same
foresight that Sir Joe had that sees us take on the bold decision to develop Coaling Island and
the reclamation in unison and for the improvement and growth of our community and our
people.

1335 Additionally, we have been criticised on the costs involved. That would seem to me,
Mr Speaker, the most misplaced of all the criticisms. Let me be clear in this House. The
northernmost half of the reclaimed plot is to be sold for the total cost of the reclamation. The
Government sells it. The price is the cost of the reclamation. This is a cost that HMGoG would
have otherwise had to incur itself before being in a position to be able to sell the land in any

event. We are therefore making double our money straight away, as we are paid back the full amount of the reclamation but the developer gets to keep only half of it and we take the other half – and that is before and in addition to the interest we earn on the money lent for the creation of the reclamation. And once the plot is sold, the developer has an option to purchase the remaining half – that is the southernmost half that we have kept – for a minimum of £25 million. Not only that, but should a third party come in and offer the Government a price higher than £25 million, the developer will need to match this upper price or lose their option.

If this is not a total win-win for the Government, I do not know what is. We have the land reclaimed at no cost to us, we earn the interest on the loan to create it, we keep half the land and we can sell it for a minimum of an additional £25 million, and we get back the money lent for the reclamation. Additionally, we are given a 20% interest in the developers' own company, so that the taxpayer has a share in the profits that the developers make – something the GSD was never able to negotiate in its own transactions and which I have no problem telling the House we obtained as a result of Sir Joe suggesting we should include this requirement as part of our negotiation.

Mr Speaker, the deal puts the Government in a position where it can make money for the entire community. Let me give the House a worked example. If, for example, the reclamation costs £50 million, it costs us zero. We lend the developer the £50 million reclamation costs, they carry out the works, we get repaid the £50 million and an additional about £2.5 million in interest. We then get half of the plot reclaimed, which is initially valued at £25 million. Using those figures as examples, we would have made an immediate profit of £27.5 million and spent nothing: one of the best deals the Government of Gibraltar has ever done – and 20% of the company to boot.

The reclamation costs will be financed by a Government-owned company on a fully secured basis using funds raised from the £300 million institutional investment in Gibraltar, our Brexit war chest, just like £30 million was invested in the capital of Gibraltar International Bank to support its continued growth. This does not mean that the cost of the reclamation will be £300 million, as some are keen to suggest or imply; it means that a part of that £300 million will be applied towards financing the reclamation costs. The sum is likely to be about £50 million – the sum I had given in the worked example – of that Brexit war chest. Once the reclamation is complete, the Government-owned company will be repaid in full with interest. Using this model, every single taxpayer has a stake in the development and shares in 20% of the return on the development. The GSLP Liberal Government that I lead deserve all of the credit for this excellent deal for the taxpayer.

But we perhaps should also compare apples with apples. The GSD awarded the tender for Gun Wharf in 2001. Then they recalled that tender – for good reason, related to the MoD – and in settlement agreed to sell Coaling Island for a paltry £1,500,000. The developer paid £650,000, not in cash but in kind, with the allocation of parking spaces in Europlaza for the Hospital and the balance deferred to be paid when they took possession of Coaling Island. By the way, the developer is one of the developers I mentioned that they now seem to not recognise. A sale price of £1,536,700 and a plot size of approximately 11,500 square metres gives a sale price per square metre of £133. That is what they sold Coaling Island for, £133 per square metre – cheap at the price even in 2001. Even with inflation at 53% compounded over the period – which I will give them the benefit of – this works out to £204 per square metre. That is the deal that they did.

Now let's apply the same ratios to Victoria Keys. The southernmost plot, of approximately 30,000 square metres, with a guaranteed minimum sale price of £25 million, for which we pay nothing and we get given having been repaid the loan, works out to £833 per square metre. The difference, even when generously adapted to £204 per square metre, which is what I did a moment ago for inflation, is over four times the rate at which the GSD previously sold this seafront land – and, to boot, what we have sold is land that does not exist, land that the developer has to reclaim. The GSD did not strike a good deal on Coaling Island, far from it. I think

they were taken for a ride. Commercial negotiation obviously does not come naturally to them. Mr Feetham negotiating the price of the comprehensives would have been an absolute disaster, almost as much of a disaster as if they had been in charge of negotiating for the Victoria Keys deal. In stark contrast, we have brought Coaling Island back into our negotiation by using the fact and threat that we would reclaim in front of it in order to force the developers – that they gave the property to – back to the table, and we have secured an outstanding deal for the community. I guess that in fact the GSD's criticisms are just an attempt to obfuscate the reality of this excellent deal – the 'dead cat' strategy that I am told is sometimes deployed in politics: if your opponent is doing very well, say something outrageous and turn attention away from his success.

The Victoria Keys project will also be applauded for the significant open and recreational areas that it will provide for our community. There will be public access, as I have said before, magnificent pedestrianised areas, access to the seafront, etc. With the guidance of the DPC, the project is also key to clearing part of the rubble mountain on the east side that is being cleared to make way for coastal and revetment protection and improvement works at Hassan Centenary Terraces.

Mr Speaker, the hon. Lady, Ms Hassan Nahon, has been a little more constructive in her approach to Victoria Keys and has asked to meet us for an explanation after an exchange of press releases, as she did in relation to the Tax Treaty before shooting from the hip like others do. I will look forward to meeting her and her team on this and to explaining why we think this is a brilliant investment that we have secured for Gibraltar by a consortium of almost all local developers.

Mr Speaker, my colleagues across the way comment sometimes that we do not give them sufficient information about things that are not in the Estimates Book. I have no doubt that our information presentation on the Budget this year will not be enough for them; it never is. What they want is to be in Government and nothing else will satisfy them. That is the truth.

As you know, Mr Speaker, the accounts of Credit Finance were produced and audited to 31st December 2017 and made public last year. We are presently working on closing the accounts for 2018. One fact no one can get away from is the sheer brilliance of the Father of the House when he came up with his concept of commuting pensions. This makes sense on so many levels, but it is only deliverable if, and only if, we can afford to make the capital payments. When we proposed it, the man some of them refer to as the greatest Gibraltarian of all time agreed. He said it was sensible as long as it could be paid for; he insisted, however, it was not affordable for the Government in capital terms. Sir Joe had a better plan. The scheme, connected to Credit Finance, is cleverly crafted, as it will grow over time and, after a tipping point, begin to retract. It is still in the growth phase. As you will know, Mr Speaker, the availability of commutations has been very well received by retirees. It is not affordable out of the Government Consolidated Fund. Since 2012 to 31st March 2019, and subject to audit adjustments, around £108 million has been paid by way of commutation by Credit Finance. During that time, Credit Finance has been paid by Government over the period, £28 million in assigned pensions. Credit Finance has treated this as £21 million in interest earned and £7 million in capital reduction. This policy was indeed a sensible one and could only have been achieved through the use of a company or some other separate body corporate with distinct legal personality to the Government. The arrangement requires the pensioner to effectively have a contract with a third party that will pay the capitalised, commuted pension. This party receives further pension amounts from the Government in exchange for paying a commutation to Government. So, if I may say so, this is another one on which hon. Members opposite have got it wrong, and some of those who have sat alongside them obviously agree, having signed on the dotted line themselves to have moneys paid to them by Credit Finance Company Limited by way of commutations! *Como se te queda el cuerpo!*

Mr Speaker, one of the ways in which Gibraltar is succeeding today is our state-of-the-art telecommunications. Those arise also from Sir Joe's foresight in 1988 in creating the joint

venture with Nynex of New York. Our economy today – whether the aspects that relate to online gambling or the DLT Blockchain – would not be possible without that brave move that was not without controversy at the time. And progress continues. Gibtelecom will this month be announcing, this summer, a 5G trial which is expected to be underway before the end of the year. This is in line with 5G trials happening around Europe and some of the major nations throughout 2019, including the UK, Spain and Germany. In fact, this morning, Vodaphone has announced a similar trial in Spain. 5G technology has not yet been fully ratified in Europe and final specifications will come from the ongoing trials. Indeed, 5G devices in Europe are not yet commercially available, with very limited devices being made available for trial use in Gibtelecom's 5G trial. It will be focused on particular use cases where meaningful data can be obtained and fed back as part of ongoing trials. I am very pleased, however, that we will be keeping in time with the developments in this field and that we will be in the first tranche of trials and early adoption of this high-speed, wireless data-transfer technology. To set it in context, this step will increase wireless download speeds by 100 times.

In relation to Gibtelecom, as my colleagues will be aware, Mr Tim Bristow recently retired from the company. This House should recognise the contribution he made to the company and in his role before that as Financial Secretary, where his approach was always more collegiate than the then Leader of the House might have wished, something for which I was always very grateful in my early days in this place. Mr Speaker, I am sure my colleagues and the Parliament will wish him all the best on his well-earned retirement in Gibraltar. Following Mr Bristow's departure, we commenced a process of looking for a successor. Mr Noel Burrows was selected from a field of very experienced candidates. I would also like to thank Adrian Moreno, who remains COO but ably stepped up to the role of CEO during the transition. We are sure that together they will make a phenomenal team, taking the company to new heights. We wish them the best in their endeavours.

I am delighted to be in a position also to inform the Parliament that the pensioners of Gibtelecom and Aquagib – comprising those individuals who were originally in the service of Government and transferred to those companies when they were formed – and the Government are very close to finalising an amicable financial settlement at last. After a lengthy and at times tough negotiation, the Government and the former pensioners have now come very close to an arrangement to settle those claims. Their claims assumed that they ended up worse off having left the Government service and going to the utilities. I confirmed to them that if this was demonstrated, we would make up any shortfall. The exercise of determining whether such shortfalls existed has been long and drawn out. We have had disagreements about assumptions and a tough negotiation on the figures. You do not expect to go into a room to negotiate with people trained as shop stewards by Joe Bossano and forged in the febrile industrial relations atmosphere in the 1970s and 1980s in Gibraltar and have a walk in the park, but I do guess it is a good thing that the negotiations were not being conducted by hon. Members opposite: they talk about prudence and control of expenditure, only to get themselves spooked when they see a resolute trade unionist wielding a deadly whistle. The settlement will obviously represent a compromise on both sides between the original amounts claimed and the amounts that Government felt might be due to a number of individuals. Negotiations leading up to this settlement have been ongoing for a number of years with the claims dating back to before the GSLP was elected in 2011. I am therefore delighted to be able to confirm that I expect this matter to be closed very soon and certainly in the lifetime of this Parliament, subject to final agreement and finalising paperwork and settling the agreed-upon amounts.

Negotiations are also moving apace on the contract for the new wastewater treatment plant, which we have been pursuing since we were elected. These negotiations are not easy either and we have to get them right. We need to have the guarantees we need that the plant will be able to deal with the saltwater element in our brackish water. For that reason, although I had hoped that we would have seen more progress before today, we have not yet seen ground broken.

Another important and progressing infrastructure project is the Airport tunnel. This is becoming increasingly important. The latest dates we have for completion suggest that it is now realistic to think of the tunnel being open by spring next year. Delays here are totally unrelated to any aspect of Government decision making and relate only to the complex engineering issues that we have experienced with the contractor, OHL.

I am also very happy to report that I hear only good things about the new facility that Calpe House is operating in London for those Gibraltarians who are sponsored patients receiving treatment in the United Kingdom.

Mr Speaker, when the results of the Brexit referendum came in three years ago, there were many rubbing their hands with glee. I will never forget Snr Margallo's uncontained happiness when he identified the potential difficulties for Gibraltar as the only silver lining in Brexit. He was immediately saying, and I quote: 'The formula of co-sovereignty, to be clear, the Spanish flag on the Rock, is much closer than ever before.' Snr Margallo got even more carried away and at one point started saying that the Spanish flag would be flying over Gibraltar within four years of 2016. He said that three years ago. We worked, on this side of the House, every day to deny Snr Margallo and his ilk any progress whatsoever. Today, no one in any serious political party in Spain is talking about Spanish flags flying over Gibraltar.

In this process, we have held our nerve, and in doing so we have been able to see Gibraltar continue to succeed economically. We have held our red lines and we have been able to advance our cause to form part of any Withdrawal Agreement and transitional period that might have been agreed. And that is why there was no flight of businesses from Gibraltar. We held our reasonable positions, and that is why we supported the Withdrawal Agreement – not because we want to leave the EU, not because it is the deal we would like, but because it is a darn sight better for Gibraltar than no deal and it is even better for Gibraltar than the option of the Withdrawal Agreement applying to the UK and no deal for Gibraltar. Some do not appear to understand that those were the choices that we had to deal with. We had to play the cards we were dealt, not the cards we would like to have received.

The Hon. the Deputy Chief Minister will report more fully to the House, in the course of his address in this debate, on the work we have done with the United Kingdom and on our contact with other European partners, given his portfolio responsibilities both for Europe and for leaving the European Union. Suffice for me to say that we both remain, of course, fully engaged in the politics of Brexit and in daily contact with colleagues and officials in the United Kingdom as the tectonic plates are moving, as the race to become the next Conservative leader is under way. I will also just add that I have been honoured to work with Theresa May in the past three years. For Gibraltar, she has been a sensitive, committed and stalwart support, and I can just tell the Hon. Leader of the Opposition, who is not known for his original thinking, that I do hope that in his reply he is going to repeat the remarks that he makes constantly that I have been Mrs May's cheerleader ... I thought as much. I make no apology for supporting, defending and cheerleading those who support and defend Gibraltar. He would do well to better analyse why I do it.

What is clearly a huge success has been our cementing of the single market between Gibraltar and the UK, despite Members opposite and those in their party who were not elected seeking to denigrate the importance of that. This is what has secured our continued success in online gambling and financial services, in particular insurance. It has been critical in steadying the ship after the referendum and continuing to attract new business.

Last year in this debate I told the House that our view was that there would be some loss of existing business but that there would be some new business also. That prediction has come true. I must tell the House that the way that we have worked with Bet365 on their reluctant announcement to relocate some of their business out of Gibraltar has been exemplary. I sincerely hope and believe we will continue to have a long and successful association with that company going forward and the very honourable principles behind it.

Albert Isola's work in the online gambling space, in financial services and in the DLT Blockchain development and promotion has been remarkable also. Albert has travelled the

world incessantly in order to promote Gibraltar and attract some of the world's biggest businesses in these sectors to do business here, Brexit or no Brexit, and he has achieved exactly that. The Corporate Tax collections and the levels of employment in all these sectors is up, and even if we do lose some jobs – and we may not lose as many as people think – we consider it is likely we will not see any major reductions in any area. Indeed, I should just point out to the House that in the online gaming industry the number of jobs is up in the Employment Survey by 210 to 3,800 jobs in that sector. In 2010, the figure was 2,200, so the growth we have delivered in this sector has been remarkable and will not be undone by the reduction in one operator's numbers – although we can never welcome that or sit idly by as it is happening. To be clear, in 10 years the number of people employed in the online gaming industry in Gibraltar has literally doubled from 1,900 in 2008 to 3,800 in 2018, the year on which I am reporting, and it has gone down in some years as it has then rallied and grown again. So, again and as ever, the key thing here is to hold our nerve. And in financial services jobs are up 37% since the Employment Survey of 2011, from 2,977 to 4,068. That is real growth that Brexit is not breaking, thanks to the work we have done with the United Kingdom. That is the reality and it would be helpful for Gibraltar and those industries in particular if hon. Members opposite recognised that. When the history books are written they will show that Albert Isola was ready to go the extra air mile and spend week after week away from home to keep business coming to Gibraltar. He deserves all of our recognition and all of our respect for the work that he has done.

We have worked and we are therefore continuing to grow. We have attracted new business to Gibraltar and at the same time the Brexit team – the Deputy Chief Minister, the Attorney General, the Financial Secretary and me – have been working also on the core and pure Brexit issues. As I have reported constantly in Statements to the House on this subject I will not be repeating myself, Mr Speaker, but I will say this: the pace at which we have been required to work has been remarkable and it says a lot that the Gibraltarian team at discussions and negotiations have never been found wanting – we were never the last to comment on a document and there was no one who knew the Gibraltar issues and had analysed them better than we had. The team have really done Gibraltar proud, and despite the preening and peacock-style show of feathers I have seen from others, no one could have better defended Gibraltar than the team that I have had the honour of working with and leading. In the most testing times we have ensured our people's rights, wishes and interests have been at the forefront of discussions and negotiations. Gibraltarian grit, graft and gumption have got us over the line to this end of the beginning of the Brexit drama and the effect of this work is what has delivered the economic growth we are now to analyse sector by sector. But let's be clear: these excellent results that I am about to report would not have been a reality with Ministers who do not turn up to the office or just hang around in bars and cafés, as was the case of some when the GSD was in power – not the hon. Gentleman. These are not results from walking around Main Street gossiping and sipping coffee, as some of the retired Members on the opposite benches do. This is the result of less gossip and rumour and more hard graft and more graft and more graft, and there is no getting away from that.

And so, Mr Speaker, I move on to my annual analysis of the key economic indicators of the performance of our economy. As usual, I remind the House that these are annually reported metrics and have been applied to our economy by successive Governments. It is also worth remembering that the figures I now report on are provided to the Government by the Treasury and the Statistics Office. They are based on the figures that are audited by the Principal Auditor. So, if any hon. Member opposite is tempted to question the validity of any of the figures, it should be clear that they are not questioning me or any politician on this side of the House: in fact, they would be calling into question the civil servants in each of the Departments in question.

In tourism, Mr Speaker, the total number of visitor arrivals increased by 4.4%, just shy of half a million people, to a total of just over 11 million in 2018. The figure for total arrivals, excluding non-Gibraltarian frontier workers, increased by 1.3% over the year. The arrivals by land in 2018

was 10.4 million, up year on year by over 5%. The largest increase came from visitor arrivals crossing by motor vehicle, which were up by 7% or half a million people, from 6.8 million to 7.3 million in 2018. The number of pedestrians also increased over the year from 2.7 million to 2.8 million, up by 1.5%. The number of cruise calls and passengers also hit a record high in 2018 and the number of cruise calls increased by 3.4% to 243 in 2018. Hotel arrivals also hit a record high for the third year in a row last year. The overall number of arrivals increased year on year by almost 6.4%. The largest gains came from other arrivals that grew by almost 8.8%. Room nights sold also grew. As a result, tourist expenditure for 2018 has been estimated at over £¼ billion, namely £273.58 million, a very creditable year-on-year increase of 8.6%.

Mr Speaker, the fact that the growth we are seeing is real is best illustrated by the fact that we are seeing more and more people and more and more jobs in our economy, and those jobs are for people near and far beyond our frontiers. As is reflected in the last Employment Survey, the number of employee jobs in our economy in October 2018 has gone up to 29,995 – that is to say five short, in October, of 30,000. That represents an increase of 7%, or 1,966 extra jobs in our economy in one year. That is almost 2,000 extra jobs when compared with the October 2017 survey, the date of the previous Employment Survey – and all of this with Brexit bubbling in the background. So, with Brexit looming at the end of March this year, there were still more and more jobs in our economy. So, when I hear Members opposite somehow suggest that our growth is not real and some suchlike nonsense, I look at these numbers and I see that the growth we have in GDP demonstrates that these realities of increases are manifesting themselves.

The majority of the job gains came from the private sector, where jobs grew by 1,940 or almost 8.8% over the period. Public sector jobs actually decreased for the year by 29 or 0.5% over the same period. As I repeatedly remind the House, the engine of our economy is the private sector, and this growth in jobs demonstrates that. And the engine continues to fire on all cylinders, even when Brexit was looming. You see, Mr Speaker, these figures represent the snapshot of the position as at the end of October, a quarter before a hard Brexit might have happened. That is why, although we cannot take anything for granted and we have to be totally match fit and careful in preparing for Brexit, we can say with some confidence that we can be optimistic about our prospects in Brexit. The jobs will be there.

Naysayers may refer to the notification given by Bet365 of its intention to relocate certain functionality to Malta. I would say that the work we have done with Bet365 is of the exemplary nature that I have referred to before and I am confident we will continue to enjoy a long-term relationship with that outstanding company and the professionals who lead it. Additionally, I would point to the fact that we have had a number of other entrants to the market in online gaming in Gibraltar since the Brexit referendum and despite the possibility even of an impending no-deal Brexit. My preferred approach is that of Sir Joe Bossano, who set it out perfectly when he said he predicted continued growth but that we could not be clear about whether it would be at the rates we have seen to date, and that we need to be able to cut our cloth so that our expenditure can be met in future from our income. I am confident that we will therefore continue to see growth, even in the sector of employment in online gaming.

Employee jobs in respect of Gibraltarians increased to a record 11,228 over the last year, representing just short of 37.4% of all employee jobs. The growth in full-time Gibraltarians was mainly in the private sector with a net increase of 26 employee jobs, up about 0.5%. In these circumstances, the House will be pleased to hear that the number of Gibraltarians unemployed for the last day of May is a remarkable low of 33 – yes, 33, although the only figure that we report and rely on is the quarterly figure.

If we just pause for a moment to think a little about this, these numbers mean that the number of people unemployed in Gibraltar is less than double the current number of Members of this House. There are 17 of us, double would be 34, so if you will allow me a quick reference in jest, Mr Speaker – if the hon. Lady were to be more supportive of expanding the House by eight we might be able to reduce unemployment down to 25! But we will all have to see about

1650 expansion. To date, we have not even heard back from the Official Opposition on the draft motion that we sent them some weeks ago.

To compare like with like in my speech last year, when the quarter-end figure was 45, we will have to wait until the end of June – the Budget debate was held in July last year. The number, however, is developing very positively as the monthly figure for the end of May last year was 58
1655 and this year it is 33, as I have just reported. That suggests that the quarterly average is likely to be even lower than last year's record low of 45. In fact, we recorded an even lower record quarterly unemployment figure for the quarter ending in December, of 44, one person less registered as unemployed than in the year before. This is excellent news and demonstrates that the reporting of unemployment is continuing at sustainably low rates.

1660 I have to remind the House that when we were first elected in December 2011 the number of Gibraltarians registered as unemployed was reported by the Department as 522 for the first quarter. This is not counting the number of people Mr Feetham suggested in his calculations would also be considered unemployed given how he calculated the cost of our Future Job Strategy. In those days we were told 300 registered unemployed would be full employment. In
1665 those days we were also told that most, if not all, of those 400, were unemployables. We never accepted that principle. Now, for the second year running, with the numbers reported by the Department now reduced to 33 for the last month, we are continuing to see a reduction of 91% in unemployment from the days when we took over. This demonstrates that our plans are sustainable. It demonstrates that our performance is no flash in the pan. It demonstrates that
1670 we are really delivering a reliable transformation in our economic activity which is likely sustainable even through a hard Brexit shock – although the only safe thing to do is to be ready and be able to deal with such an eventuality.

Mr Speaker, what a brilliant job has been done by successive Ministers for Employment since 2011. Well done to Sir Joe Bossano, to Gilbert Licudi and to Neil Costa. Well done to Sir Joe as
1675 the architect of the Future Job Strategy, which delivered good, long-term employment for our people despite the constant refrain to the contrary by Members opposite. I guess it shows that it pays to turn up to the office and work as a Minister, quite unlike what used to happen before, when the GSD were in power and the Minister – the last one, Mr Montiel, in particular – used to avoid his office and spent most of his time in a bar. I will not tire of giving all credit also to the
1680 men and women of the Employment and Training Board, in particular the dedicated and able Debbie Garcia, who with her team works tirelessly to find jobs for everyone who turns up wanting one.

Last year, I told the House that the results I was reporting were incredible and that we would work hard to maintain them but were unlikely to be able to repeat them. Well, we repeated
1685 them through sheer hard work on behalf of all our people. For that reason, I think we can now really, genuinely, say that unemployment has been tamed in Gibraltar in a sustainable way by the application of the careful and prudent policies of a Socialist and Liberal administration that has considered no one unemployable, that never accepted that GSD description of any of our fellow Gibraltarians and that has worked extra hard to ensure that our people come first in our
1690 labour market.

Having said that, the Gibraltar economy is now not just an engine of growth only for Gibraltar. There is a need in our economy for persons outside of Gibraltar to come here to work. That is why we have people working in Gibraltar from each member state of the European Union and indeed from even further afield. In respect of the period from October 2017 to 2018 the
1695 number of frontier workers increased by 1,717, from 11,937 to 13,654, or almost 14.4% from October 2017 to another record in Gibraltar, in October 2018. With only 33 Gibraltarians registered as unemployed, those cross-frontier workers are obviously not taking anyone's job.

And what are all those jobs producing, Mr Speaker? Average gross annual earnings in respect of all employee jobs increased by 3.1%, from £29,575 in October 2017 to £30,497 in October
1700 2018. Thirty thousand jobs paying an average of £30,000 is not a bad result for people to keep in

mind in respect of a shortcut of the results of these employment statistics for a community of just over 30,000 people.

Mr Speaker, to set that increase in average earnings in context, in the relevant period for which I am reporting to the House inflation in Gibraltar averaged 2.8% in 2018 compared to 2.6% in 2017. Since the EU referendum in June 2016 the average rate of inflation was 2.3%, which is slightly higher than the current average rate for 2019, which stands at 2.1%. This is consistent with the UK average of 2.2% over the same period. Inflation in the euro area ran below the European Central Bank's target rate of 2%, averaging at an annual rate of 1.7% by April 2019. The UK CPI inflation averaged at 2.2% by April 2019, in line with Gibraltar's IRP, which averaged at 2.1%.

Since the Brexit vote, the value of the pound has fallen in comparison with most other currencies, dropping by 10% from June 2016 to January 2018. The continuing uncertainty surrounding Brexit continues to apply pressure on sterling and some UK analysts are predicting it could fall below €1 once the UK officially leaves the European Union in 2019. The effect of sterling's depreciation on import prices and the recent increase in fuel prices will continue to pass through to consumer prices. This, of course, also impacts on Government expenditure to the extent that we are spending in euros. The advice I have from the Government Statistics Office is that these external pressures are likely to keep inflation just above the 2% target through 2019.

Mr Speaker, this year I am able to report to the House on the outcome of the third full year's results following the decision by the United Kingdom to leave the EU. The year I am now reporting on is also the year when we were expected to have left the EU completely – the day before the end of the financial year, ironically. In the end, we were not able to see a final agreed position as to the status or nature of the UK's withdrawal or future relationship with the EU. It is against such challenges and political turmoil that we have been able to deliver the numbers that I report to the House today.

The latest figures provided to me by the Government Statistics Office show that the final GDP estimate for the financial year 2016-17 was £2 billion, representing a growth of £206 million, namely 11.5%. The GDP figure for 2017-18 is estimated at £2.17 billion, increasing by £169.25 million or 8.5%. And the figure that I can today report to the House is that the GDP forecast from the Government Statistics Office for the financial year we have just ended – that is to say the turbulent and challenging 2018-19 – is £2.35 billion. That shows our GDP increasing by £177.8 million or an increase of 8.2% compared to 2017-18.

Mr Speaker, if I may say so, this is an incredible achievement for this nation, especially this year. In the Government's view, these figures reflect the continued, sustained and sustainable growth of our economy in this year for which I have the honour to report to this House. As a result, the Government's manifesto target, set in November 2015, of reaching an increased GDP of at least £2.4 billion by the end of March 2020 is therefore almost now entirely achieved. We are within touching distance of it. Indeed, as I had predicted last year, we are almost there at £2.35 billion this year.

We are therefore entitled, on this side of the House, to point out to hon. Members opposite that they were wrong in their previous suggestions that we might not meet our GDP growth targets. We are entitled to point out, in this key election year, that Sir Joe Bossano, who made these predictions, was right in the way that he analysed the potential for growth in our economy. And, additionally, we have achieved our target one whole year ahead of March 2020. So much for the constant pessimism from Members opposite that we would not make those targets at all. They said we were being over ambitious. They were totally wrong about that. We were conservative, we were careful and we were entirely prudent in our predictions. Sir Joe was, as ever, looking to de-risk our plans, and he got it right.

As a result, once again this year Gibraltar will continue to rank among the fastest growing economies in the world. As a result, I will therefore continue the tradition, started by my predecessor Sir Peter Caruana, of calculating for the House the GDP per capita in our economy. I

am very sceptical of the value of this calculation or its accuracy and it is not a strictly scientific measure, but as this was used by Members opposite when they were in Government as an indicator of the average standard of living of individuals in Gibraltar, I will do the calculation for them. This calculation is used in similar analysis internationally. It is nonetheless an established economic metric, of however doubtful value, which I shall once again provide to the House.

In this respect, as I have told the House, the latest forecast for 2018-19 estimates a GDP per capita growth of 8.2% from the previous year at £2.18 billion. On the IMF GDP per capita rankings, the UK features in 35th position with a GDP per capita of \$45,782 and Spain in 41st position with GDP per capita of \$40,538. Gibraltar's GDP per capita for 2018-19 is forecast at \$111,505, placing Gibraltar still in third position, closely ahead of Luxembourg, which enjoys a GDP per capita for the year of \$108,000, behind Monaco with a GDP per capita of \$122,000. Qatar heads the list with a GDP per capita of \$134,000.

As I have said before and must reiterate to ensure the record of the House reflects, my own view is that these measures are not scientific because of the differing methodologies and fluctuating exchange rates on which they are based. This lack of uniformity in calculation makes the exercise unreliable. Additionally, in the case of Gibraltar the calculation is particularly lacking in relevance given we now have reached 30,000 working people in a population of 32,000, making the per capita aspect unreal and, in my view, totally distorted. The important aspect of this exercise, however, is only really to appreciate that Gibraltar's economy is estimated to have grown by 8.2% in the relevant period, with average earnings going up by 3.1%. This growth continues to place us ahead of other small countries in the world, including Malta, Luxembourg, Singapore and Hong Kong.

Mr Speaker, I now turn to an analysis of the public finances of Gibraltar.

The level of aggregate public debt as at 31st March 2019 was marginally lower than last year at £435.6 million. This represents an aggregate debt to GDP ratio of 18.6% in 2018-19, down 1.4%, from 20% in 2017-18. The level of cash reserves ended the financial year slightly up at £121.6 million. As a result, this reflects net public debt at £314 million, or 13.38% of GDP, in 2018-19, which is a decrease of about 1.3% from the 14.7% at which it stood the year before, in 2017-18. These ratios continue at a lower rate than that of the UK and most other European nations. Gross public debt remained unchanged at £447.7 million and the reduced level of aggregate public debt reflects the balance held in the General Sinking Fund.

Mr Speaker, once again, despite the spin they may wish to put on it later, it is important for hon. Members and the general public to note that our nation's public debt continues to be very low in relation to the growing 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. Net public debt is 13.5% of GDP and aggregate public debt is 18.6% of GDP. Indeed, overall borrowing is relatively low, even if we were to include the borrowing by Government-owned companies which was commenced and established by the former administration, and which has never, as hon. Members know, been deemed to be part of the public debt.

Mr Speaker, the total gross public debt of £447.7 million includes £200 million which is held with two banks and the balance relates to debentures issued by the Savings Bank. During the next 12 months or so, the Government's debt with both NatWest and Barclays reaches its maturity and we want to take advantage of that to negotiate a better deal for the taxpayer than the GSD did. The Government is therefore already in advanced negotiations with these and other banks to seek to roll over some of this debt.

The arrangement with Barclays done by the GSD locked us into a fixed rate of close to 5% in exchange for the variable rate, as adjusted, which in today's market place makes very much less sense than it did when they did the deal. In this context, the Government will seek to negotiate with these banks and others to obtain the best return for the tax payer. We will, of course, bring any such arrangement once completed to Parliament, as is required under legislation. We will, nonetheless, avail ourselves of the flexibility afforded by liquidity in the Savings Bank to allow us the necessary time to negotiate the best outcome for the taxpayer. If this means, therefore, that

we replace part of the debt with debentures, we will do so to provide the most advantageous return to both the taxpayer and the Savings Bank. That is what is in our national interest and in the interests of every single taxpayer in this economy, and that is what we will do.

Mr Speaker, for all the reasons I have already referred to and of which hon. Members and the whole community are aware, the past year has been politically challenging. Despite that, I am delighted to announce to this Parliament that during the last financial year, 2018-19, we have once again achieved a record surplus, which stands in the Estimates Book at £82.8 million. This is the record Budget surplus to which I referred earlier. This is just about three and a half times the originally estimated surplus for the year – a demonstration, once again, that our estimates are conservative and reliable and that they can be relied upon by hon. Members, however much they might not like to admit it. This also further demonstrates our prudent but non-austere stewardship of this economy and shows that we continue to build on the excellent foundations of our first term in office. Additionally, as almost two months have now passed since the Estimates Book was prepared, I can tell the House that actually it looks like the surplus will not be the record £82.8 million recorded in the Book. It looks like the final figures actually being reconciled suggest the surplus for this year will be even higher. The number I have today from the Ministry of Finance is closer to a Budget surplus of £85 million.

Franco's ripe fruit is not going to fall any time soon, Mr Speaker. Mr Clinton's reducing surpluses are not anywhere to be seen. Despite Mr Clinton's obvious rooting for our failure, despite his public statements designed to erode confidence in the strength and stability of public finances of Gibraltar, even Mr Wilkins Micawber will be a happy man. Indeed, the conclusion of his involvement in this debate might yet be to remind us that, in the end, it was not Micawber who was crooked but Uriah Heep, who had employed him, who turned out to be the forger and the cheat of Dickens' imagination.

For those opposite who have spent eight financial years criticising everything we do and predicting that our actions would not be successful, this further massive surplus demonstrates once again that we can be trusted with the safe and successful administration of our public finances. Once again, this year we are able to point to results to show that the naysayers are the ones who should not be believed. They are the ones lacking in credibility. They are the ones whose predictions are unreliable. Those who have been crying wolf each year since December 2011 were actually wolves themselves, baying to feast on the political carcasses of our failure.

But we have not failed. They said we were not fit to govern, but we have been equal to every task and toil. We have been up to every challenge. Indeed, if we compare our economic performances by reference to the surplus, our average surpluses for the last six years after 2011 is larger than their average surpluses for the six years before our election. In fact, our surplus this year is a record surplus. But we do not want to just compare averages. Given these results, hon. Members opposite should now find an elegant way to move away from their ridiculous annual mantra that we are somehow massaging the figures. But if it is an eight-year massage, it is one with an extraordinarily happy ending. What we are doing is demonstrating consistency in the successful management of our public finance: consistent growth, consistent surpluses – consistently our performance is demonstrably better than theirs. Our record is stronger than theirs, and given that this is the last Budget before the election, it is an apt time to carry out a scorecard analysis and reflect on what has been achieved in our two terms in office.

Despite the prophets of doom and gloom who said this economy was not sustainable and that we were heading for difficult times, despite their headline-grabbing statements which themselves were designed to create challenges, we have been graced with great profits – even if we have not been graced with great prophets! By way of comparison, during the last seven years under the GSD, from 2005-06 to 2011-12, inclusive recurrent revenue was £2.3 billion. During the same period 2012-13 to 2018-19, recurrent revenue earned – cash in the bank – was £4.2 billion. In average terms, this works out to an average annual revenue of around £323 million under the GSD and around £600 million under the GSLP Liberals. So, just average annual revenue under us has been close to double average annual revenue under them.

The even more interesting figure comes when we look at surpluses on their own. In fact, despite being called a big spender, as both Mr Feetham and Mr Clinton have previously referred to me, my Government has managed to accumulate surpluses of just shy of £400 million over the same period: £397 million of revenue over expenditure. Under the GSD, for the same period, the accumulated surplus amounts to only £203 million. As in relation to average recurrent annual revenue, that is almost twice the amount of surpluses overall in the same period.

That is a statistic that they will never be able to shake, Mr Speaker. Whatever we hear from them in the next 48 hours, they will not be able to deal with the fact that we have doubled the average annual recurrent revenue and doubled the average annual surplus amounts in eight years than when they had it in the same period, even when adjusted for inflation. Double: it is really quite remarkable, Mr Speaker. Everything is double the size on this side. *(Laughter)*

In fact, I think Mr Clinton thought he was being really clever, as he usually thinks he is being, when, in his first Budget speech before this House, he quoted Dickens. It was back in 2016. Mr Clinton said this:

Mr Speaker, the ideal Budgetary position is that enshrined in what has come to be known as the 'Micawber Principle' named, of course, after the character in Dickens' David Copperfield, who wisely observed: 'Annual income twenty pounds, annual expenditure nineteen pounds nineteen and six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.'

Mr Clinton continued:

In other words, we should not spend more than we can expect to receive in any year, or afford.

We have been fortunate in Gibraltar to have reported budget surpluses year after year in recent times but, as my learned colleague the Leader of the Opposition

– then Mr Feetham –

has correctly pointed out, the size of these reported surpluses are decreasing and we must take care that expenditure does not overtake revenue if we are to avoid Micawber's misery.

He then went on and delivered a mediocre maiden Budget speech, which sought to end more or less where it had started by going back to the issue of the Micawber Principle, and he added at the end:

We need to build up a general rainy day fund to meet any future eventualities ...

We need to aim for Micawber's happiness and maintain a balanced budget; and we need economic success to guarantee that happiness.

Well, Mr Speaker, we have observed Micawber's Principle much better than obviously Mr Clinton expected. Just like I suggested earlier when I alluded to the conclusion of the novel in question, perhaps Mr Clinton did not bother to read to the end, but Micawber is not a cheat and he is not dishonest. It was Uriah Heep, his employer – there are plenty of lawyers on that side of the House ... It was the person who pressed Micawber into service who turned out to have been the cheat. And old Micawber? – remember that he was characterising me in that way – well, he ends up being successful in government as a magistrate, and after four years the hon. Member's apparently clever references to Dickens may not seem so clever anymore; in fact, another Clintonian hostage to fortune that might have benefitted from a little more consideration before being turned into another climbdown. The surpluses are not reduced, and however much he might try he will not be able to credibly deconstruct them. The surpluses have grown. The 'rainy day funds' to which he and Mr Feetham have become GSLP converts, having recanted the Caruana religion of bringing all those pots in to add to the Consolidated Fund, have also grown. So, by every measure that he himself set out to judge our economic performance, we have exceeded and succeeded the standards that he set.

Indeed, incidentally, what we are going to do this year is we are not going to give the companies £25 million, as we were doing; we are going to give them £30 million. But if we were to do the calculations in the way that hon. Members did them when they were in government – in other words, if the year before the election we did not give £25 million to the companies and if in the year before the election we took the £43 million in the Savings Bank reserve into the Consolidated Fund – we would have been declaring a surplus this year of almost £150 million if we did not keep the funds in the rainy day pots that we believe in, if we calculated things in the way that they calculate them in government, although they then do not like to calculate them that way when they are in opposition.

Indeed, in respect of the politics of real consequences, one of the many problems and consequences that Mr Clinton will have to face – given his constant suggestions that things are somehow not going as well as the figures show, of crying wolf every single year – is that people no longer will give any credence to the constant heckling by him of our results. Their credibility has been eroded every year and our credibility has grown each year as we have demonstrated that we work harder and we deliver every year.

Mr Speaker, government is not an esoteric argument about whether to account for things one way or another way; it is not about full stops and commas. It is about people, it is about performance, it is about negotiation and compromise, and the approach that I see opposite of just trying to score petty points by reference to whether a number should be above a line or below a line or in a company or in an Estimates Book is not about effective government. Sir Peter would agree with me. He brought in the spending through Government companies. It is about accounting etiquette as interpreted by one man and in a way that is not shared by more able, more accomplished and more experienced accountants and experts in public finance and the public finances of Gibraltar in particular.

Additionally, we are able to show that our attitude is such that we are reliable and credible in our predictions in these estimates, as much as to revenue as we are as to expenditure. We estimate revenue conservatively so that we exceed our estimates each year, and we are generous in estimating expenditure so that we know that we are not going to fall short. That is how this year we have delivered an overall underspend in departmental expenditure. Yes, Mr Speaker, that is right. What I am reporting to the House this year is an underspend in the Government Departments of £5 million. Where our estimate for departmental expenditure in financial year 2018-19 was £512 million, we have instead spent £507 million. Hon. Members can see that sum on pages 2 or 14 of the Estimates Book. That difference is the £5 million that I am referring the House to. In that respect, Government revenue during the last financial year exceeded the original Budget by nearly £55 million.

As a reflection of the continuing growth in our economy, Income Tax receipts were up by around £16.5 million and Company Tax receipts were up by around £33.5 million. Departmental expenditure during the year, on the other hand, has been very effectively contained by the Government and this ended the year slightly under budget at £5 million, or around 1%, under budget. As I said earlier, our average growth in departmental expenditure is less than half of their average increase per year in the same regard when they were in government. Our increase is 7%; their increase was 17.8%. This also shows the accuracy of the work of the people who spend so much time on this Estimates Book, only to have it disregarded by Members opposite. That is an excellent performance of which I am proud and which I am pleased to bring to the House.

Mr Speaker, as in previous Budgets and in line with our manifesto commitment to help Gibraltar Community Care Trust to build up its reserves so that it can be totally independent of Government grants, I am delighted to inform the House that a further sum of £25 million has been earmarked by the Government this year as a contribution to the charity. I had reduced the sum last year in light of the impending Brexit, but as we have not left yet I am once again contributing the sum of £25 million. This donation will be paid out from the Government's

recurrent surplus for the last year. I will have more to say about contributions to Community Care later.

1945 Mr Speaker also in line with my Government's commitment to transparency, we have once again prepared an excellent presentation on the Budget to assist the viewers to follow these essential numbers. The presentation will shortly be available online at www.gibraltar.gov.gi. Once again, the presentation is not a substitute for reviewing the Estimates Book but rather an attempt to connect taxpayers with where the money this Government raises comes from and where it is being spent.

1950 Mr Speaker, I will now move on to the revenue and expenditure Budget for the current financial year.

Estimated recurrent revenue for the year is budgeted at about £697 million. This represents an estimated increase in revenue of over £45 million, or 7%, over the previous year's estimate. Nonetheless, as hon. Members will see when I get to the Budget measures that I will announce, 1955 this will still need to be a careful and diligently calibrated Budget that keeps in view the possibility that a hard or soft Brexit may yet be visited upon us within months. In preparing these estimates I have been particularly conscious of my responsibility to our past, current and most especially our future generations, and I have had no heed for the idea that I might confect a Budget of pre-election goodies. That is not the approach I have taken and it is not the Budget 1960 that I am going to deliver, because my responsibility is not to win an election; it is to deliver a safe, sustainable and prosperous future for our people.

The overall recurrent expenditure Budget for the year is £676 million, which reflects an increase also of around 7% over the 2018-19 estimate. The Government is therefore prudently and conservatively projecting to increase expenditure by no more than revenue and then to end 1965 the year with a very conservatively calculated recurrent Budget surplus for this financial year of around £20 million. Again, we have always exceeded our estimated surplus by being very conservative in how we estimate them. Additionally, one of the reasons we are calculating an increase in spending is because we are going to voluntarily increase the amount we contribute to the company structure by 20%, or £5 million, up from £25 million to £30 million, as I have just 1970 told the House. Additionally, we have continued and will continue our policy of accelerating the payment of tax rebates to individuals and corporate entities.

Mr Speaker, during the last financial year, 2018-19, the Government invested around £84 million on capital projects funded through the Improvement and Development Fund. Around £23 million was invested on works and equipment and around £62 million was invested 1975 in specific capital projects. That includes £7 million on the access road to the Frontier, including the resumption of works on the tunnel, and £17.6 million for facilities for the Island Games that will endure long after those games are over. It also includes £23 million paid for works relating to the final relocation of a number of MoD estates, as provided for in the agreements entered into by the GSD when they were in Government.

1980 This year we will see the effect of sales of the MoD residential property that will be returned to Gibraltar's hands as a result of the relocations and which we have sold at tender to residents. We anticipate that these sites will produce in the region of £60 million in sales. The cost of building the new homes and facilities for the MoD has been spread over a number of financial years, however.

1985 Mr Speaker, the expenditure budget of the Improvement and Development Fund for the current financial year, 2019-20, is around £82 million. The capital investment in works and equipment is estimated at £23 million and the provision for investments in other Government projects amounts to over £59 million. This includes an investment of £13 million in our roads and parking projects – which Paul Balban has pursued very aggressively to ensure that he delivers 1990 tarmac of the quality he believes we all deserve – with nearly £4 million being paid also for the final element of costs for the relocation of the MoD estate; and a further £12 million to finish our ambitious programme of facilities to be ready for the Island Games that will leave an important legacy in sport and accommodation for many years to come, and indeed further

provision to complete other ongoing capital projects. These are all in addition to the capital projects in the Government companies to which I have already referred.

Mr Speaker, the collection of corporate and personal Income Tax contributes, on average, approximately 45% of overall Government revenue, so it is right that I dedicate a section of my speech to this. This financial year, there has been a noticeable increase in the amount collected in relation to personal and corporate Income Tax. The total figure of tax collected amounts to £345 million, representing £181.5 million in personal tax and £163.5 million in corporate taxes for the year which is the financial year being reported on. And before the Opposition comments, these figures do *not* include a penny in respect of the collection from the state aid recovery cases, which I will refer to later. Also before the Opposition comments on the accuracy of the projection, I would remind them that our Budget for the year 2018-19 was £295 million. The forecast outturn once again is £345 million. Of this, £163.5 million relates to corporate tax and the actual for 2017-18 for corporate tax was £110.9 million.

Mr Speaker, you may ask why I turn back the clock to 2017-18 in my analysis, and it is for this reason alone: in this year, when this economy was meant to depart from the EU, an additional £52.6 million was collected, which means that under our stewardship companies in Gibraltar made at least an extra £½ billion in profit if they paid tax on all of it, despite the uncertainty: an extra £½ billion in profit in companies operating in the Gibraltar economy in the Brexit year. The position is similar for individuals, and applying this to a 25% rate of personal tax means individuals earned a further £60 million in the relevant year. This all points to an economy that is firing on all four cylinders

As regards 2019-20, the revenue figure is conservatively projected to £325 million. This breaks down to £175 million in personal taxation and £150 million in corporate taxation. Again, no account has been made in these projections for the state aid recovery amounts, more details of which I will come to. A welcome and reassuring position to see us into this new financial year – one filled with new challenges, given that Brexit is still looming in the not-too-distant future. In this respect, I think it is important to recognise the determined efforts and continued improvements made by the Income Tax Office in developing the processes for the assessment and collection of taxes in Gibraltar. The public is reaping the benefit of these improved efficiencies in relation to the assessment and collection of taxes. These have allowed the Income Tax Office to continue to make substantial refunds to taxpayers. A total of £16.7 million was refunded to taxpayers through its refund programme in the financial year 2018-19. If I had taken the attitude that hon. Members opposite took when they were in Government, Mr Speaker, I would have spent £1 million on rebates and I would have kept another £15 million to add to the surplus as flattery. I would then have declared the surplus at £100 million – or, indeed, if I added all the other pots that hon. Members would add in the year before the election, £165 million *à la* GSD.

Since the implementation of this refunds programme in 2015-16, the Government has invested over £48 million in this project with the aim of addressing the much needed catch-up of tax refunds. That is money that has therefore not been available to flatter our already healthy surpluses. The hon. Gentlemen will remember the totals I just did: add another £50 million to the overall total for the period over which we were calculating. Continuing on course, I am pleased to announce that we have committed a further £18 million for the financial year 2019-20, in order to progress through this final stage to completion of the rebates. If I had not, the estimated surplus would be £38 million for next year.

Needless to say, no Government has ever allocated this level of funding for this purpose. I think it clearly demonstrates to all taxpayers our commitment in addressing the timely issuance of taxpayer assessments and delivering the corresponding payment of resulting refunds to individual taxpayers as soon as reasonably possible. The Government does not want to hold on to taxpayers' money; it wants to return it in an organised and structured manner, ensuring and maintaining a responsible approach regarding public finances through a right and equitable balance between the funding of repayments and the carrying out of the correct and proper

assessments. This is a balance of rights and obligations. This is, after all, a catch-up exercise and one in which taxpayers are not at fault. It is for this reason that the Income Tax Office has devoted significant resources towards their refunds programme, being able to progress this at a quicker pace than originally envisaged. Through this initiative, taxpayer assessments are being brought right up to date. In fact, assessments for the 2016-17 tax year are almost complete and even now quite a few taxpayers will already have received their assessments in relation to the 2017-18 tax year, which ended on 30th June 2018.

In addition to the excellent progress already made, the Income Tax Office continues on track to achieve the unprecedented position by the end of the year whereby taxpayers are assessed on the last return they have filed in relation to the tax year just ended. That is to say by November this year when individuals start filing their tax return for the year ended 30th June 2019, in cases where there are no disputes this will be assessed within the next year. For the majority of cases there will be no historic backlog, a truly up-to-date assessment position for taxpayers. This meets our pact with taxpayers, a pact that binds both ways: everyone must be up to date, the taxpayer and the Government in equal measure.

I need to underscore how significant this achievement is. Never in the history of the Tax Office have personal taxpayers' assessments been up to date. The benefit of this is that in future the amount needed to be provided for refunds will be much reduced, in the order of £6 million to £7 million. We could have taken the easy choice and not embarked on this refunds programme but left the rebates to grow year on year. Instead, we tackled the problem head on, so that the Opposition could no longer say we are storing up debt. Nothing could be further from the truth.

The Government continues also with its international strategy of tax transparency, administrative co-operation and exchange of information with all our global partners. Throughout the financial year the Commissioner of Income Tax, in his capacity as Competent Authority for a number of international exchange mechanisms, continues to service the necessary obligations arising with exchange partner countries under the European Directive on Administrative Co-operation and the OECD Multilateral Convention. I am delighted that our stewardship of the economy and system of taxation is also attracting international approval. It is unusual now to see Gibraltar included in any objective and properly researched list of territories pejoratively referred to as secretive or as tax havens. The Tax Justice Network now includes Gibraltar below the United Kingdom itself and below even Spain on its transparency list. Indeed, perhaps the most significant achievement in the international sphere during the last financial year was the historic conclusion of the Tax Treaty with Spain. This agreement, on the protection of financial interests and taxation, was signed on 4th March 2019 by the United Kingdom as the state responsible for Gibraltar's external affairs under the Constitution. This Treaty is subject to parliamentary ratification in both the United Kingdom and Spain and will come into effect thereafter. We will shortly be debating it in this House, Mr Speaker, on a motion that comes on the Order Paper after this debate.

The Treaty provides certainty and clarity in the assessment and allocation of taxing rights and the availability of double taxation relief, ensuring that the right amount of tax is paid in the right place by the right person. It is a positive step towards closer relations with a very important neighbour, particularly in a post-Brexit environment. Other reputational and economic benefits for Gibraltar are also envisaged. The Treaty contains absolutely no concessions on sovereignty to Spain whatsoever, whether it is tax sovereignty or any other tangible or intangible aspect of sovereignty that one might like to analyse. Namely and perhaps most importantly, Spain will now be permanently unable to sustain the approach taken towards Gibraltar over the last 30 years, whilst acknowledging the enhanced co-operation under the Treaty. Should this not be the case, Gibraltar is now also armed with evidence of the agreement for co-operation that will disarm any suggestion that we are non-co-operative. I very much look forward to the debate on the motion in respect of the Tax Treaty, where we will be able to go into much more detail in debating its terms.

The change in approach and attitude, however, has already opened up opportunities internationally that had previously been inaccessible. Gibraltar's participation in the OECD's Inclusive Framework relating to the Base Erosion Profit Shifting initiative (BEPS) is such an example. I am pleased to announce that Gibraltar's application to BEPS is already well underway.

On other matters of tax transparency and particularly in connection with the exchange of country by country reports, Gibraltar has secured a bilateral agreement with the United States of America and is currently close to concluding one with Guernsey – all this in addition to exchanging information with EU member states within the scope of the European Directive.

We also continue the e-government project within the Income Tax Office. Solid foundations and background infrastructure works have been developed during the financial year which are vital building blocks for the successful implementation of the online tax facilities, including a tax registration process, the direct submission and upload of returns and a dedicated portal enabling direct payment and allocation of tax and social insurance. This will continue the Income Tax Office's transformation into a fully digital office offering a seamless and sensible interface to the general public. As part of the digital revolution, the Income Tax Office is at an advanced stage in the implementation of a digital file management system which will form the main repository of documents in the future.

Innovation, modernisation and a customer-centric approach are key principles driving forward the development of the Tax Office. By way of specific example, through close collaboration with business partners such as Companies House, the Income Tax Office have already managed to deliver significant efficiencies for the registration process for corporates. Further efficiencies are being considered with discussions continuing and workable solutions being formulated in order to align the filing requirements between the Companies Act and the Income Tax Act to facilitate a dual filing system which fulfils all necessary obligations. These are clear examples of how co-operation between Departments, agencies and other entities linked to the public sector can reap rewards for all users and stakeholders to the benefit of Gibraltar plc, which we are all an integral part of. In this respect, Mr Speaker, I join the Commissioner in extending a sincere thank you to all willing and active participants who have helped and continue to help the Income Tax Office in this process, particularly the directors and staff at Companies House.

Over the last financial year, the Income Tax Office has developed and fostered close relations with HMRC and HM Treasury in the United Kingdom. These closer ties have enabled networking with key personnel and counterparts that will no doubt prove invaluable in a future relationship with the United Kingdom. Further opportunities are also being explored in connection with bespoke training through the use of a dedicated Tax Academy, the design and implementation of systems and processes in relation to online services and inward visits offering support in a number of technical and analytical areas. These initiatives will no doubt continue to build on the existing high standard of service and professionalism that makes up the team at the Tax Office.

Mr Speaker, I would also like to report that the level of tax and social insurance arrears continues on a downward trend. This accomplishment is a direct result of an efficient strategy together with a focused approach and continuing effective co-ordination between the Income Tax Office and the Central Arrears Unit.

Last year, I reported a total reduction of £19.6 million in arrears and debts owed to Government, all of which has been achieved in just two and a half years. This had been an area which the GSD had totally abandoned when they were in office. They did not chase debt. That meant that those who paid were, in effect, subsidising those who did not pay. Each taxpayer who paid his or her dues was being taken for a ride by every taxpayer who chose not to pay. Usually, those who choose not to pay taxes are not workers, as workers have their taxes deducted from their salaries, and those who were in default, those who cheated, those who did not pay, were aided and abetted by the GSD, who did nothing about having a mechanism to chase defaulters. Indeed, to make matters worse, the GSD disbanded the Central Arrears Unit, which had been set up by the GSLP for that purpose. These are the seeds that sow an *a mi me*

2150 *pertenece* culture, which they then rail against. Hon. Members do well to look down in
embarrassment. They should be ashamed of the political initials that they represent. We think it
is unfair to those who pay not to chase those who do not pay, even if it might be politically
unpopular, so we have reconstituted the Central Arrears Unit under the excellent leadership of
2155 Lizanne Dalli. The overall reduction in debts owed to Government when comparing figures from
30th September 2016 to 31st March 2019 is now actually £23.1 million. This is an excellent result
by the newly re-established Central Arrears Unit. I very much look forward to visiting the unit
shortly to congratulate each and every one of the persons working there diligently to restore
fairness to our system of chasing debt and defaulters. Additionally, not only do arrears show
2160 that significant reduction, but I must also highlight that the Central Arrears Unit are actively
ensuring that current payments are received in a timely manner. This success is also due to the
excellent work done by the staff of the Central Arrears Unit, who work closely with all
Government Departments, agencies and authorities.

Mr Speaker, I consider it is important that I should provide an update to the House on the
progress being made in relation to the European Commission's state aid investigation on
2165 Gibraltar's corporate Income Tax system. Hon. Members will recall that Spain filed a complaint
with the European Commission in 2012 claiming that the Tax Act in Gibraltar as a whole
constituted unlawful state aid. This was a direct attack on our tax system and was based on their
belief that our legislation perpetuated an offshore tax regime. This plunged Gibraltar into a long
and protracted formal investigation by the European Commission, a process that has taken over
2170 six years to be resolved. The Commission's investigation was finally concluded late last year and
their state aid decision on Gibraltar's tax system was published on 19th December 2018.

Mr Speaker, no state aid decision is positive. The very opposite is true. By its very nature and
context any such decision is, in fact, negative. Nevertheless, I firmly believe that the effect of this
decision is minimal and it has no significant consequence on Gibraltar. Indeed, although the
2175 entirety of our Act was under examination by the European Commission, the result is actually a
remarkable success. It has required us to only make minor legislative amendments in relation to
interest and royalties and also provide a more solid and robust legal footing for the practice of
tax rulings in Gibraltar. But perhaps most important of all is the clear and unequivocal statement
confirming that there is nothing fundamentally unlawful or wrong with our Tax Act. It is this that
2180 allows our Act to enjoy a clean bill of health going forward, despite a new challenge recently
announced on regional selectivity. This vindicates the view this Government has always
maintained and that is a tremendous blow to all who seek to denigrate Gibraltar as a credible
and forward-thinking tax jurisdiction. All these are critically important accomplishments given
the challenges we as a jurisdiction are likely to face with Brexit. Moreover, decisions like this
2185 speak to the talent of people like Michael Llamas, Albert Mena, Frank Carreras, John Lester and
Terence Rocca, a team of Gibraltarian professionals who have worked in partnership with the
United Kingdom to secure this excellent result for Gibraltar.

Regarding the practical aspects of the decision, the Income Tax Office has, since last
February, continued liaising very closely with both the European Commission and the relevant
2190 aid beneficiaries in order to expedite the necessary recovery and implementation of the
decision. To date, approximately £9 million of aid has already been recovered, with a further
approximately £80 million under active consideration. No state aid recoveries have been
included in any financial information reported on to this House, in order to ensure consistency of
the information. This is exactly in keeping with the position adopted by the former
2195 administration in respect of extraordinary receipts of tax, or windfalls, in other cases.

There is still a lot of work left to do on this. Implementation of a state aid decision is a
complex, procedural and laborious process. It is for these reasons that I recognise and applaud
the hard work and continued efforts of the Tax Office with regard to this and have every
confidence in their ability to implement the decision to the extent necessary and to achieve the
2200 desired outcomes.

What I can tell the House today is that every penny we receive in respect of these state aid windfalls will be donated directly to Community Care Trust. That is a fitting transfer of these unexpected amounts to the rainy day fund for our senior citizens, the trustees of which enjoy the Government's full and complete confidence. *(Banging on desk)*

2205 Mr Speaker, I am also delighted to report to the House that, as has been the case since our election in 2011 and under the leadership of our very own national treasure Sir Joe Bossano, the Gibraltar Savings Bank continues to flourish and grow. The reserves of the Gibraltar Savings Bank have continued to grow and these reserves stood at £44 million at the close of the last financial year. The reserves of the bank are estimated to grow further to reach close to £50 million by the
2210 end of the current financial year. This is lower than we had wished to see but is £50 million more than we found there when we were elected, as the GSD had used all of the Savings Bank reserve for general expenditure – to flatter their surpluses, I guess, Mr Speaker – and did not have any rainy day funds at all. Indeed, I do recall that GSD policy had long been not to have any rainy day funds.

2215 The deposit base of the Savings Bank remains at over £1.3 billion and the Savings Bank continues to provide an excellent range of products for our community, as indeed it has done since it was established over 130 years ago. In particular, the bank will continue to provide savings products to serve our community and will continue to offer special rates of interest to our pensioners. But perhaps most relevant here is that fact that however much the Members
2220 opposite have tried to bring down confidence in the bank, they have not managed to do so. Confidence in the bank continues to be as strong as ever – not surprising, given its peerless leadership by Sir Joe Bossano.

Mr Speaker, I am delighted to once again also be able to report to the House on the continuing success of the Gibraltar International Bank that was created as recently as the end of
2225 our first term in office. Operating strictly at arm's length from our Government, the GIB has grown beyond our expectations. I am very happy to be able to tell the House that in a snapshot as at the end of last week, the bank had 24,800 accounts, up around 4,000 since my speech last year; year to date deposits on average of £750 million; and a loan book that now stands at £227 million, almost £¼ million. And most importantly of all, the bank has closed the year to 31st
2230 December 2018 with a net profit of £2.5 million. Mr Speaker, I trust you will agree that this is an excellent performance for which all the staff, management and board of the bank should be heartily congratulated. The accounts for the year ended 31st December 2018 will shortly be made public. They will, no doubt, make fascinating reading for some. The bank is now also well positioned to assist by way of mortgage facility to prospective purchasers of Hassan Centenary
2235 Terraces. I am advised it is also developing bridging products to assist with financing the regular payments.

Mr Speaker, I now turn to the specific Budget measures for 2019, the final year of the lifetime of this Parliament.

2240 Unless otherwise mentioned, the following Import Duty changes will take effect as from midnight last night.

In recognition of our commitment to make Gibraltar as environmentally sustainable as possible, to reduce our impact on the planet and improve quality of life for all, last year the Government increased Import Duty on disposable plastic products such as plastic straws, plates, cups, disposable plastic bags and sacks, to 200%. Continuing with that pledge this year, and to
2245 encourage less usage of plastic bags and bottles, the Import Duty on all cotton bags and aluminium bottles will be reduced to zero. This year, the Government is introducing amendments to the Imports and Exports (Control) Regulations to restrict and indeed prohibit the importation of certain single-use plastic products into Gibraltar. In line with last year's increases, all single-use plastic items not covered by the amended Regulations will now also be
2250 subject to an Import Duty of 200%. *(Banging on desks)*

In last year's Budget the Import Duty on all instruments and appliances used in medical, surgical, dental and veterinary sciences were reduced to zero. This year, as part of my

Government's continued initiative to ensure the affordability of preparations for oral and dental hygiene for all members of the community, these will be reduced to 3%. Toothbrushes will also be reduced from 12% to 3% as a result of representations received from dentists.

As part of my Government's continuing efforts to curb the health problems arising from smoking as well as our commitment to tackle all illicit tobacco smuggling, and after consultation with the Collector of Customs, the following increases of Import Duty have been introduced: Import Duty per carton of 200 cigarettes will be increased by 50p to £14.50 per carton; Import Duty on rolling tobacco will be increased by £5 per kilo to £65 per kilo.

Mr Speaker, this Government is committed to the protection of the environment and will always ensure that environmental issues stay at the top of our agenda. In the 2018 Budget, the Government significantly increased the Import Duty on diesel and motor spirits. Accordingly, this year the Government will increase Import Duty by 3 pence per litre across the board as follows: unleaded 95 from 35p per litre to 38p per litre; unleaded 98 from 34p per litre to 37p per litre; diesel from 37p per litre to 40p per litre; and diesel premium from 34p per litre to 37p per litre.

In light of the Government's policy of encouraging the use of renewable energy sources, the Import Duty on solar panels was reduced to zero. To ensure their upkeep and maintenance, the Import Duty on parts and accessories, including batteries for the exclusive use of solar panels, is also now reduced to zero.

As part of our combined initiative to promote the competitiveness of local businesses, and in keeping with representations received from traders and the Chamber and Federation, commercial importations of the following goods will be reduced to zero: household vacuum cleaners; household sewing machines; electric toothbrushes; electric shavers; hair clippers; hair removing appliances; chargers used with telecommunication apparatus and automatic data machines such as mobile phone chargers; and table, floor, wall, window, ceiling or roof fans with an output not exceeding 125W. Furthermore, the Import Duty on musical and camera cases is reduced to zero.

Mr Speaker, this year the Government embarked on the Moneyval evaluation process that assessed Gibraltar's compliance with the principal international standards to counter money laundering, terrorism financing and the financing of proliferation of all of those. In preparation for this, the Government completed a number of national risk assessments, and as a result the Government is introducing the following changes to Import Duty in order to mitigate some of the identified risk areas. Import Duty on private importations of unmounted precious stones will be raised from 0% to 12%. However, commercial importations of precious stones by holders of a business licence shall remain free of Import Duty. Import Duty on private importations of works of art and collectors' pieces of a value over £1,000 will be increased from 0% to 3%. The main practical effect behind both of these changes is that by introducing the duty, Customs are able to scrutinise and in future quantify importations of these items.

Mr Speaker, Customs are tasked with controlling all imports and exports, including restricted items, which requires the processing of a large number of licences daily. This work takes up a great amount of time and resources, and as such, on the advice of the Collector of Customs, the Government will introduce a minor £10 administration fee, coming into effect on 1st September 2019, on the following: all import licences, including temporary imports and importations of specialised equipment, as well as importations and transfers of vessels and caravans; all T1 transit permits; and all export licences. Due to the workload generated by vehicle importations made by persons recruited by or on behalf of the Government on contract terms, at the request of the Collector of Customs all such importations shall carry a £50 administration fee.

Mr Speaker, last year the Government substantially increased the fees for the issuing and renewal of tobacco licences. We will be continuing the trend this year by introducing the following fees for a wholesale tobacco licence by way of ship chandlery: the issue of a wholesale licence by ship chandlery will cost £10,000; the renewal of a wholesale licence by way of ship chandlery will cost £5,000.

At the same time and 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 2019 taxpayers with assessable income of £11,450 or less will be taken out of the taxation system altogether and will pay no Income Tax. This measure applies as much to taxpayers in both the Allowance Based System as it does to the Gross Income Based System and represents a further increase in this threshold which we have steadily increased since we were first elected, when it stood at £8,000. We have delivered increases in this respect of £3,400, or 42.5%, to bring more and more of the low paid out of the tax burden.

Also in accordance with our manifesto commitment, taxpayers under the Allowance Based System will benefit from an increase in their personal allowances which is at least in line with inflation. As a result, with effect from 1st July 2019, the following personal allowances will increase as follows: the Personal Allowance will increase from £3,385 to £3,455; the Spouse and Civil Partners Allowance will increase from £3,385 to £3,455; the One Parent Family Allowance will increase from £5,575 to £5,690; the Nursery Allowance will increase from £5,290 to £5,400; the Child Allowance will increase from £1,165 to £1,190; the Child Studying Abroad Allowance will increase from £1,325 to £1,355; the Dependent Relatives Allowance, where the relative is resident in Gibraltar, will increase from £325 to £335, and where the relative is resident outside Gibraltar will increase from £215 to £220; the Disabled Individuals Allowance will increase from £9,285 to £9,475; the Blind Allowance will increase from £5,285 to £5,395; and the Medical Insurance Allowance will increase from £5,285 to £5,395.

Mr Speaker, recently there has been a change in the way certain banks process payments over the weekends. We understand they now debit accounts over the weekend but do not credit them until the following working day. This change is not normally an issue, but it seems to have had an impact where the weekend coincides with the end of month, particularly for Social Security pensioners – for example, as happened last weekend, I think, for the first time. Although this issue has been caused by changes outside our control, we have looked at our internal procedures and will make changes such that Social Security pensioners will get paid ahead of the month end where the month end is over a weekend.

In relation to pensions I am also happy to be able to announce that the Government and Unite the Union have been able to resolve issues which remained outstanding in respect of pensions entitlement in the Airport Fire and Rescue Service after the transfer of the service to the Government from the Ministry of Defence.

Mr Speaker, to further assist the many working families and young people who will be excited at the prospect of buying the excellent affordable homes this Government is providing, or buying other property on the open market, the Home Purchasers Allowance will now be increased with effect from 1st July 2019 for first-time homebuyers by £1,000, from £12,000 to £13,000.

In addition, as is customary of this Government to cater for all taxpayers in our economy, those individuals from working families who have elected to pay tax under the Gross Income Based System will also be provided with assistance in purchasing their first home. A deduction of £7,500 will be made to taxpayers under the GIB in respect of approved expenditure incurred towards the purchase of their home with effect from 1st July 2019. Despite the increase only being available from 1st July 2019, given only a few purchasers have signed up for Hassan Centenary Terraces in the last couple of months since we started the process, they too will be eligible for this increased allowance from 1st July 2019. The standard restrictions will apply whereby any deduction in any year of assessment cannot exceed the amount paid towards the cost of construction, payments made, or loan cost etc. in the year of assessment. This means that staged payments can be partly offset by this allowance also.

Mr Speaker, I am a firm believer in the importance of considering those less fortunate. This Parliament has shown its commitment to charities such as Calpe House, amongst others. It is for this reason that I wish to discuss now my proposed amendments to the Gift Aid Rules. At present, under the Income Tax (Gift Aid) Rules 2006, registered charities may claim from the

Commissioner of Income Tax an amount equal to the tax paid by the donor on the grossed-up amount of the gift. We have also received representations that this is a relatively complex process and that for this reason the facility is not frequently used by charities. It is therefore my pleasure to announce that, in order to facilitate the contribution by the local business community to charitable causes such as Calpe House, the limit of £5,000 currently within the Income Tax (Gift Aid) Rules 2006 is to be increased to £10,000. We will also commence a process to see how the Rules can be simplified so as to facilitate contributions by companies to the many worthy causes such as Calpe House.

Mr Speaker, in light of recent developments and in preparation for any similar challenges that Brexit may thrust upon us, my Government continues, committed to ensuring Gibraltar's economic success. An essential part of any successful plan entails attracting potential inward investment as well as retaining existing economic operators. In this regard, I announce that we will shortly be commencing a consultation process with the relevant industry sectors on incentives designed to improve the international competitiveness of the jurisdiction.

The first incentive to be considered is the introduction of a notional interest deduction regime within the existing domestic Corporation Tax rules. The purpose of such a regime would be to encourage the financing of companies through equity and retained earnings by aligning the tax treatment of the cost of equity with that of debt. Restructuring for the purposes of equity financing within the context of this regime should allow for the relocation of treasury operations to Gibraltar, whilst maintaining the total tax burden at the current level. This should allow companies to establish themselves here by properly capitalising their structures rather than using thinly capitalised structures that allow tax seepage to other jurisdictions. This goes hand in hand with our policy of encouraging real substance and commitment to our jurisdiction.

Similarly, a consultation will be carried out on the possibility of extending the current status of capital allowances under the Income Tax Act 2010 to include additional allowances for research and development expenditure incurred by operators in key economic industry sectors. The diversification of our economy into modern technological industries and Gibraltar's pioneering role in the field of distributed ledger technology place us at the forefront to explore such interesting initiatives.

Both consultations will need to be carried out with an eye to international best practice, look carefully at what our competitors are doing and ensure whatever we do has the right level of anti-avoidance to ensure any changes are not abused. We will also do so in a way that retains Gibraltar's competitiveness behind the likes of Malta, Ireland, Luxembourg and Spain in the Corporate Tax Haven Index.

Mr Speaker, this administration has already launched its next wave of affordable homes, with the flats at Hassan Centenary Terraces proving to be very popular with applicants and plans for Bob Peliza Mews already well underway. Even though these are being sold at cost price, construction costs continue to rise resulting in some flats being priced over the thresholds which would allow homebuyers to benefit from the allowances introduced by this administration in recent years. Therefore, in order to assist with the purchase of future affordable homes, we will be introducing an amendment to the Stamp Duties Act whereby all initial purchases of properties by homebuyers in affordable housing estates developed by Government will be exempt from Stamp Duty. This measure will help ensure that future generations of Gibraltarians are able to continue to get on the property ladder and be the owners of their own home.

Mr Speaker, as we continue to promote small and start-up businesses in Gibraltar, I am pleased to announce that we will shortly be bringing to this House a Bill that will re-enact the Fair Trading Bill following extensive consultation with the Chamber of Commerce and the Gibraltar Federation of Small Businesses. This will provide a simpler and faster process for licensing and cut the need for lengthy and often unnecessary hearings, also removing the need for applicants to advertise their intention to make applications, reducing the cost and time to these businesses and importantly for service providers with a turnover of less than £20,000 they

will be exempt totally from the licensing process and its requirements to have premises – they will simply have to register with the OFT.

2410 We have also worked to harmonise licensing requirements following the consultation in 2018 on key legislation affecting businesses and commerce, and legislation will soon be brought to Parliament harmonising and simplifying the licensing process, particularly in the important food and beverages trade where many differing licences are currently required. We will make this easier, quicker and cheaper for these companies.

2415 Additionally, in order to assist with the cost of doing business in Gibraltar being kept down, and in keeping with our manifesto commitment, electricity and water charges will not be increased again this year. General rates payable by businesses will also remain unchanged and discounts for the early payment of rates will continue to apply. In the construction, manufacturing, transport and distribution trades, and in respect of all offices, the discount granted for early repayment is increased from 15% to 20%. In order to support our local hotel
2420 industry, this Government will ensure that the discount for early payment of hotel rates is increased from 15% presently to 30%.

We also hereby agree and commit to the request for partnership funding requested by the Committee of the Federation of Small Businesses for their Business Innovation District initiative, which the Government warmly commends them for. The financing requested will be made
2425 available to them in this financial year so that they can progress with the implementation of their programme immediately.

Mr Speaker, in stark contrast to the path chosen by other nations, the Socialist Liberal Government I lead always recognised that relying on painful austerity measures only hurts the growth that you want to stimulate. It is pain without gain. Indeed, our tiny nation enjoys one of
2430 the best and most comprehensive ranges of social benefits in the world, including world-class healthcare and education that is the envy of many other nations. It is a source of great pride for me to oversee a Government that takes the social needs of our community with the level of seriousness it deserves. However, having a generous provision of social benefits means that we must ever be vigilant against attempts by non-entitled individuals to take advantage of this by
2435 renting Gibraltar property under sham tenancies to try and engage in a benefits tourism of our healthcare, education and other successes. We should also be able to easily identify those unscrupulous individuals who would let their properties knowingly under these arrangements, thereby increasing the cost burden to the taxpayer. As a result, the Government I lead has conducted an in-depth study of unlawful lettings in connection with this and will be setting up a
2440 national Register of Residential Occupation, administered by Land Property Services. This register will immediately flag cases where there is an attempt to register a tenancy against a property that already has an occupier taking benefits from it. It is only right and fair that we address this matter and not allow any room for cheats or freeloaders. We cannot afford them and they do not deserve us. The register can also serve a number of other purposes, including
2445 assisting individuals to confirm their tax residency in Gibraltar to inform the Tax Office also.

Mr Speaker, as you may be aware, section 69 of the Landlord and Tenant Act affords certain protections for the landlord where there is a change of ownership. This section allows landlords to charge up to two years of rent in these circumstances. These provisions are likely to have been introduced to afford a certain protection to landlords. At the same time, they sometimes
2450 cause issue with tenants where, for example, there is a group restructure that results in no ultimate change in ownership and ultimately the exposure of the landlords. Yet in these circumstances the tenants are exposed to the possibility of being charged up to two years' rent. Where this situation arises with Government, we tend not to charge a premium or seek to be opportunistic arising from a tenant's situation, which is sometimes governed by circumstances
2455 beyond local control. I believe a fair balance is possible to protect tenants and landlords alike. I have received written representations on this and for this reason I will ask for a review to be undertaken and views sought from landlords to address these concerns. International groups of companies have established here. We want these groups to make Gibraltar their home and

create employment and activity here. We must therefore make Gibraltar a fair and accessible place where they can operate without historic rules such as the one I have just referred to adding to their cost of international restructures when they are made.

Mr Speaker, in my 2013 Budget I announced the Savings Bank bond for children. I also announced that HMGoG would be making a deposit of £500 to every child born in Gibraltar after midnight on Sunday, 23rd June 2013. Today, I am announcing that this same deposit will be made for every child under 10 that has been adopted by a parent who has been resident in Gibraltar for at least the past six years. Furthermore, this deposit will be increased with a yearly interest rate of 5% up to the date that is the later of that child's date of adoption or 23rd June 2013. The effect of this measure is that adopted children will be able to benefit from the same bond value as if they had been born in Gibraltar. Going forward, HMGoG will also make a deposit of £500 to all Children's Bond accounts for all adopted children who are adopted by a Gibraltarian parent or by a parent who has been resident in Gibraltar for at least the past three years from the date of adoption.

In 2009, the GSD offered the sale of post-war housing rental stock to sitting tenants and their family members. Some of these properties were purchased with a view to housing younger members of the family, given their limited housing options once they came of age. Such is the success of our affordable housing schemes that these individuals have refused to live in these post-war properties; they want to live in the affordable homes that we have built and are due to build. Minister Sacramento repeatedly explains that the development of the new affordable schemes releases housing stock. The measure I am about to announce is designed to do precisely that. Purchasers of post-war properties who would otherwise be first-time buyers were it not for their purchase of a post-war property from the Government and who purchased from their parent or grand-parent property as tenants on a sitting tenant basis are to be able to surrender their post-war property back to the Government and in consideration the Government will reimburse them the purchase price that was originally paid to them plus an uncompounded increase of 3% per annum on the original purchase price. We will also, in addition, allocate them into a new group of purchasers that is to sit immediately below those who release housing stock, and they will be entitled to purchase a property in the affordable home scheme that has at least the same number of bedrooms as that of the property that they have surrendered. Homeowners at Beach View Terraces and Mons Calpe Mews will understandably find it challenging to calculate the profits that need to be paid to HMGoG should they sell their properties or the special Stamp Duty that would apply in the event of a first sale. In order to facilitate these calculations and allow homeowners to plan ahead, LPS are developing an online calculator that is programmed to carry out these calculations. The online calculator is in its final testing phase and we hope that it will be released to the general public shortly.

Mr Speaker, year after year I try to introduce new measures that will encourage Gibraltarians to take up electric vehicles. These vehicles need to have charging points and the community cannot rely on the Government exclusively to deliver these in their entirety. There needs to be a balance between publicly available charging points and private ones. In order to facilitate the provision of private charging points, from now on developers will be legally required to offer residents electric charging connectivity in all new developments. This means that developers will need to set up the metering, cabling and all other infrastructure that will be required for residents to connect charging units to parking spaces in new developments. To be clear, the charging units, often heavily subsidised by the vehicle manufacturer, would have to be installed at the homeowner's cost. We all need to play our part to curb the climate emergency and future-proof developments for the undoubted changes to come, and it really just makes sense to plan ahead and incorporate these things from the get-go.

Mr Speaker, you will have heard me repeat many times in this Parliament that students represent our future. We must therefore invest in our future. My Government has already shown its commitment to this, given the excellent and transformational investment we are making in the infrastructure of all Government schools, an investment that is unprecedented. I

know the Minister for Education will talk more about this in the context of his own Budget address.

In reviewing all aspects of education I noticed that the student grants have not been increased for a number of years. Accordingly, from the start of the next academic year, September 2019, grants will increase as follows: the grant for inner London increases from £6,939 to £7,500 per annum and the grant for outer London increases from £5,640 to £6,100 per annum. These increases reflect the cost of inflation since these grants were last adjusted.

Happy 30th Birthday to the minimum wage! It was first introduced by Joe Bossano in 1989 in his Budget address. The statutory minimum wage was increased to £6.45 with effect from 1st August 2017 and it went up last year again by 4.5%, or 30p an hour, to £6.75. As a result, the minimum wage increased by 25% in our first seven years in Government. That, already and on its own, is the largest increase in the minimum wage in any similar period and indeed the highest increase in the minimum wage that any Government has ever delivered.

Mr Speaker, I am in politics to help working people. I come from a working family and I know what it is like to have to scrimp and save. I therefore want to continue to increase the minimum wage by as much as the economy can reasonably bear without risk. If I thought I could rise it by more I would put it up by more, but I recognise that we have to bring care to the calibration of these numbers and these increases. It is therefore through careful planning that we have created the sustainability that we have today, and it is sustainability that gives us long-term prosperity and not short-term boom.

Nonetheless, not content to have seen the minimum wage had gone up by a quarter, I am today putting in place a mechanism to ensure that the minimum wage will increase by a third of what it was when we were elected. The minimum wage will go up 10% from £6.75 to £7.50 over the next three financial years. The increases will be staged at the rate of 3.9% this year – which is double inflation – 3.7% next year and 3.4% the year after that. This will equate to a 25p per hour increase over each of the next three financial years and will be well ahead of anticipated inflation in the period. Should inflation, exceptionally, have the effect of increasing the minimum wage beyond £7.50, then the greater of the two increases will apply. This year, therefore, the minimum wage will rise by an inflation-busting 3.9% to be £7. Next year, in financial year 2020-21, it will go up again by 3.7% to £7.25. In the following year, financial year 2021-22, it will go up again by 3.4% to £7.50. At the end of the three-year period of rises it will be £7.50. Thereafter, the minimum wage will continue to rise by at least inflation. This exceeds the minimum amount by which employee representative organisations asked us to increase the minimum wage. I know that they will be very pleased with this inflation-busting increase.

Additionally, this gives workers on the minimum wage the certainty that their hourly rates will continue to rise every year for five years, as long as we are in government. They have never had that certainty before, in particular when Members opposite were in power and the hourly wage rate sometimes did not go up at all for some years. That is what they used to do when they were here. This measure delivers the most generous ever increase in the minimum wage in any 10-year period, however it is measured. No Government in Gibraltar's history has ever increased the minimum wage by more. The way I have announced the measure will also enable businesses to plan, and for that reason I am happy to tell the House that this increase and the manner of our introduction of it was the subject of discussion and consultation between us and the Chamber and the Federation. In essence, this amounts to a five-year escalator for the minimum wage. It sets out where the minimum wage will be this year and for the rest of the lifetime of the next Parliament, if we are returned to office. It gives businesses and entrepreneurs the ability to plan in respect of those posts where the salary is paid in keeping with this House's measure of what the minimum wage should be.

I am happy and proud to be able to tell the House that at those rates the minimum wage in Gibraltar is comfortably in the top third of the group of 22 countries in the EU that have a minimum wage. This is known as the Group 3 Tier in the EU and we are in that group.

2565 Additionally, we do not just want to ensure that we are raising the amounts payable per hour for each worker. We want to ensure that our labour market is increasingly progressive and fair. In this respect we have done considerable work in partnership with Unite the Union on how labour conditions should change. We have worked closely with Unite on the reintroduction of the 12-week qualifying period for parity within the Agency Workers Regulations. We have also given a commitment that agency workers and fixed-term contract workers will be engaged in the public sector only where there is genuinely a requirement for short-term cover. Temporary workers, whether directly employed or not, should not be used and will not be used to cover 2570 permanent vacancies. Where there is a requirement for genuine temporary workers, the Government will lead by example and provide parity for agency workers from day one of their engagement.

2575 Additionally, the Government will start negotiations with Unite to enter into agency worker collective agreements which will include a provision for a compulsory review of the role of agency workers after a fixed period of engagement to assess whether the role they are discharging should be made permanent in relevant circumstances, although this is unlikely to arise given the approach we are now taking to agency workers. The review should be subject to an ongoing consultation with Unite with a particular focus on where temporary workers are being made permanent and the rationale for these decisions. We will also seek to give this type 2580 of compulsory review provision in our agreement with Unite some effect across the economy by considering a further amendment to the Agency Workers Regulations so that agency workers have a right to request a permanent role following a fixed period of assignment with a hirer.

2585 Additionally we will bring into effect a repeal of the practice known as the 'Swedish derogation' that enables temporary worker agencies to directly employ agency workers and then provide the worker to the hirer and by-pass in this way the requirement on parity for wages following the qualifying period. The derogation enables employers and agencies to undercut the wage levels of directly employed, permanent employees at the hirer. The Government will therefore change the rules in Gibraltar in keeping with the provisions of the Agency Workers (Amendment) Regulations 2019 and the Conduct of Employment Agencies and 2590 Employment Businesses (Amendment) Regulations 2019, which came into effect in the United Kingdom in April this year and which are designed to deal specifically with the problematic issues surrounding the Swedish derogation. This is as a result of the Matthew Taylor Review of Modern Working Practices, which identified concerns that Swedish derogation contracts were being misused to avoid giving agency workers their equal pay entitlements.

2595 We will also ensure that the definition of an assignment for the purposes of agency worker regulations provides for the accrual of all service periods with the hirer towards the qualifying period for equality of pay rather than the single assignment. Such a move will remove the ability of agencies and hirers to simply relocate workers to other assignments within the same hirer to break the chain of accrual for the purposes of the qualifying period.

2600 We will also now enter into a discussion with Unite and the employer organisations to amend the Fixed Term & Part Time Employees (Prevention of Less Favourable Treatment) Regulations to include cover for a fixed period of non-engagement on fixed-term contracts which will not break the accrual of four years' continuous employment for the purposes of seeking a declaration of permanency of employment. This will combat the practice of employers 2605 disengaging employees for a short period of time before issuing a fresh fixed-term contract as a means of breaking the chain of service accrual. In order to ensure consistency in the labour market, the Government will also make it a condition of awarding Government contracts that tenderers provide for the fair treatment of agency workers and fixed-term contract workers.

2610 It is recognised that an appropriate engagement of agency and fixed-term contract workers can provide a pathway, nonetheless, into permanent employment. Supported employment schemes also play a critical role in providing those pathways for potential workers and employees who are disadvantaged in the employment market or face challenges through disabilities. A review of these schemes, with a view to opening these up and utilising such

schemes to provide support and opportunities to those that would otherwise struggle in the competitive employment market, will be undertaken.

Mr Speaker, in order to give real effect to all these measures, we will be revamping and making available further resources for the enforcement processes required to ensure that the relevant employment regulations are observed, in particular by temporary work agencies and hirers, moving forwards to ensure that robust enforcement mechanisms exist for temporary workers in our economy, although I believe we will be seeing less and less use of them. I also look forward to developing and sharing a joint guidance note to be issued by the Government and Unite to employers and workers to aid the development of knowledge around the rights and responsibilities under this key area of employment legislation.

Additionally, we are now ready to start a consultation to abolish the use of zero-hour contracts, and in particular the abuse of them, entirely, in our economy in all sectors other than where we may agree with the unions that they are strictly necessary and unavoidable. These contracts were most used by the former administration in the context of the teaching profession, where many were kept on such contracts until they were fully employed by us. This will be in line with progressive legislation already in place in New Zealand, where the law aims to retain necessary flexibility where it is desired by both employees and employers but also increase certainty by ensuring that both parties are clear about the mutual commitments that they have made. This will mean that where an employer and employee agree to a set number of hours they will be required to state those hours in the employment agreement. As usual, the key issue will be to control abuse of exemptions. I am convening a Zero-Hour Contract Consultation Group to include representatives from the Unions, the Chamber, the Federation and the Ministry of Employment in order to address these matters immediately after this Budget week.

Mr Speaker, a piece of legislation that first arose in the context of our membership of the EU and which is designed to protect workers is the transfer of undertakings law. The UK TUPE Regulations were updated in 2006 with the aim of protecting workers when a contract to provide services changes hands either through outsourcing, insourcing or secondary outsourcing, where the service changes from one provider to another. In order to ensure similar protections in Gibraltar are available for workers involved in such transfers, we will adopt a similar provision to that now included in section 3(1)(b) of the UK TUPE Regulations 2006.

Last year I announced measures designed to ensure that Gibraltar was able to withstand a Brexit shock, if it came. We were staring at the potential of a hard Brexit date in late March, which never came. A potential hard Brexit remains a possibility, now in late October. One of the measures that I announced was a cap on public sector pay above £46,000. I had agreed this cap with Unite the Union as a mechanism to amortise the cost to the public purse of the public sector pay rise in a year in which we were right to be cautious about the possibility of a Brexit shock to the economy and that it should not affect those on lower pay in the public sector.

The Brexit shock that may yet come did not come last year. Additionally, for the reasons I have already set out to the House, the economy has been performing despite impending Brexit and the public finances have shown a strength and resilience despite impending Brexit, which confirms that the fundamentals of this economy and of our public finances in particular are strong and reliable – although we must continue always to be careful in our planning.

One key issue for us in Brexit is to protect the Civil Service and to protect public sector workers generally. There is good reason to do that, Mr Speaker, because one sixth of the 30,000 people who are at work in our economy work in the public sector. They derive salaries or emoluments from the Crown. And those people are Gibraltarians. And this is a sector from which we are dependent on revenue yield from private sector activity and private employment levels. So I think it is hugely unfair to suggest that Sir Joe Bossano is doing anything other than trying to ensure the long-term protection of the Civil Service and the public sector more widely when he is talking about achieving sustainability in that sector.

This year, public sector pay will go up by the rate of inflation which I have reported to the House – that is to say 2.1%. There will be no pay cap applied. Additionally, the difference

between the sums that officers in the public sector would have collected if there had not been a pay cap applied to them last year amounts to in the region of £300,000. That total amount is this year easily affordable given the surplus of approximately £85 million. As a result, I am hereby giving instructions to the Treasury to include the relevant amount in the pay packets of each relevant officer in September for the effect of the cap which was deducted from them last year. There was no Brexit shock last year and we do not need to deprive them of those sums this year.

I have considered also very carefully the suggestion in the communications I have received from the GGCA on behalf of its members that this pay cap somehow went contrary to assurances in our manifesto in relation to public sector pay. I do not agree with the interpretations and conclusions reached by the GGCA in its calculations and its communications to me in respect thereof, but I do think, especially in these potentially difficult and challenging times, that it is important for the public to know that they can entirely trust the statements and commitments that we include in our manifesto. Hon. Members will starkly recall the statements made on behalf of the GSD that a manifesto is just a wish list and not a binding set of commitments – let alone the invitation from Mr Feetham that I should abandon our manifesto at the time of the Brexit referendum. We take the opposite view and we consider ourselves bound by our manifesto, and I want to reaffirm that bond of trust between us as political parties and the senior officers of the public sector and Civil Service.

That is another reason why, given the absence of a hard Brexit in the past financial year, I believe it is right to undo the effect of the public sector pay cap. In doing so I will also resolve a conundrum that had arisen in respect of how that pay cap had affected teaching grades, in particular heads and deputy heads, which came within its scope. I am very pleased to be able to inform the House that I have received a draft of interim findings from PwC on the study into teachers' remuneration in Gibraltar. I received this late on Friday evening. The work is yet to be finally completed but it is very advanced and very encouraging. There have been some public exchanges between the GTA and NASUWT and the Government as to the merits and demerits of this claim as well as the time it has been pending. I have already recognised that the claim has not progressed in great measure because it involved my areas of direct ministerial responsibility. I have also noted the strength of feeling amongst teachers in respect of some aspects of the claims that they have outstanding – not all of which, incidentally, relate to pay.

As hon. Members will know, I have repeatedly set out the deep respect I and my Government have for the teaching profession and the important role we consider that they play in shaping our lives and moulding future generations of Gibraltarians. The successes we boast could not happen if it were not for the teachers in our community. Indeed, if I may say so at the risk of embarrassing you, Mr Speaker, teachers in Gibraltar have not stayed in the classroom. They have come into public life, yourself perhaps the most prominent amongst them having reached the post of Chief Minister, Leader of the Opposition and Mayor. Denis Matthews led the Teachers' Union and became the leader of the Self-Determination Group. Joshua Gabay, Bernard Linares, Clive Beltran, Steven Linares, Edwin Reyes – all of them teachers. Two successive Chief Secretaries have come from the teaching profession, although they have perforce had to leave education behind when they have taken on responsibility for the whole of the administration. So I am very pleased that alongside the investment we are making in our schools, we are also now ready to start the process of engaging more fully on the issue of the pay claims that are overdue consideration and settlement. Indeed, this is an opportunity to now settle also all the outstanding issues which we have with the teachers as the final, crucial piece in our education revolution to ensure that the key stakeholders, our educators, are understood, their concerns are addressed and their role in this process is recognised.

For that reason, I am asking the GTA and the NASUWT, pursuant to the offer to meet to resolve matters and my equally conciliatory approach, to put together a group to engage directly with me, the Minister for Education and our teams to address the detail of the pay claim that they have submitted. I believe that there is real mileage in understanding the underlying principles which the author of the claim set out to establish and to resolving these issues in the

context of the modern, objective and fair system of education and schooling we are in the process of delivering not just for our children but for our teachers too. I will be asking to have this appointment fixed for the day after I return to my office from addressing the United Nations Committee of 24 in New York next week. We are ready to work on this claim and we are ready to find a mutually satisfactory outcome which I believe is very much in the wider interest of the taxpayer.

In relation to the senior grades in the public sector, I regret that the review of senior public sector salaries and relativities in Gibraltar which I announced last year has not progressed. This is a matter which is being pursued diligently by the Chief Secretary, Darren Grech, who has also been heavily involved in 'no deal' planning for the lion's share of the last year and he is therefore to be entirely exonerated of any suggestion that this matter has not been progressed as it should have been. It has just not been possible. There have not been enough hours in the day. I very much look forward to the review progressing this year. As I said last year, and for the avoidance of doubt, whatever the recommendations of that review may be, no existing officers' salaries will be affected. All will continue to receive at least their existing salaries until retirement, whatever the recommendations of the review are.

As I reminded the House last year, the Government is committed to reform of the social insurance funds. However, undertaking that reform makes no sense whilst we continue in membership of the EU or exiting from the EU and there is no clarity on those options. The options that might be available to the Government will no doubt be greater if the UK and Gibraltar have left the EU – although, as we all, know, we would rather stay. For that reason, we have not been able to progress the reform of social insurance this year. In the circumstances, social insurance contributions this year will not rise. The Government has heeded the views of the Chamber of Commerce and the Federation of Small Businesses in this respect, who have made representations to us that the effect of the last two rises were implemented over a period of 15 months, not 24. But the reality remains that the current system or a new system will need to be balanced. Today it is being balanced only by reliance on an annual advance from Government. As we plan with care to ensure greater sustainability in the long term, we will review this model in order to ensure it provides that balance going forward.

I will tell the House something positive, Mr Speaker, about the Statutory Benefits Fund, which has struggled to keep pace with requirements to the extent that it had started to survive only with the support of Government advances. As I have just stated, we increased social insurance charges twice in the past 15 months and shifted the allocation between the Group Practice Medical Scheme and the Statutory Benefits Fund, in favour of the latter. The net effect of this was to increase the departmental cost for Government and thereby reduce any surpluses. So much for the Opposition's argument that we flatter the figures. This combined change has had the intended effect, however. I am therefore pleased to confirm that the Statutory Benefits Fund ended the year with a surplus of around £4.3 million, a large part of which, some £3.5 million, has been applied to reduce the advances owed to the Government. Next year we hope to completely eliminate these advances fully.

Mr Speaker, this year the Disability Benefit will increase by the rate of inflation. The old age pension will also increase in line with inflation. Both have risen by at least the rate of inflation every year since we were elected.

In order to further promote inclusion and encourage businesses to make the right changes to their properties that will facilitate access for people with disabilities, businesses will be able to claim a deduction equal to the expenditure for works that are carried out to improve inclusion and access up to a maximum of £15,000. Pre-approval by Town Planning and Building Control will need to be sought and obtained before works begin if the costs are to be deductible. Any claim for deduction needs to be made to the Commissioner of Income Tax within two years of the end of the year of assessment or accounting period in respect of which the deduction is claimed and shall be accompanied by a copy of the appropriate certification. In order to encourage that works be done quickly, this measure will apply only for the next 36 months.

2770 Mr Speaker, last year I announced the introduction of a special Stamp Duty in respect of sales
at Beach View Terraces and Mons Calpe Mews. The Bill to give effect to those changes is now
before the House and I thank the hon. Lady for her diligent work in producing it. I am very glad
to be able to report to the House that the measure to introduce that special Stamp Duty was
2775 very well received as it is a measure specifically designed to avoid profiteering from the sale of
subsidised housing that is not developed or sold for speculation but for owner occupation.

This year, the Minister for Housing, Miss Sacramento, has also been working to ensure that
the new underleases for the new affordable homes are tighter than those watered down by the
GSD from those first prepared by the GSLP in respect of the affordable homes of the 1980s and
1990s. She has developed leases that will put an end to speculation for investment and undue
2780 profits on the subsequent sales of such housing and these will be curtailed with the introduction
of strict conditions of resale. The Minister last week issued detailed guidance on the terms of the
new leases which will introduce these conditions, and I know that they too have been very well
received by the community at large.

Mr Speaker, the challenges thrown up by the many possible outcomes of Brexit have
2785 produced a call for further diversification of our economy. Such cries have often come from the
Opposition. For example, when a gaming operator considers moving parts of its activities from
Gibraltar their allegation is that we are over-reliant on one or two particular sectors, despite in
their time the focus having instead been on allegedly cementing those sectors as cornerstones
of our economic development. Seeking out new sectors for an economy is never
2790 straightforward. This is particularly so for us against the backdrop of Brexit and the many
stresses in the world economy. The high street is taking a battering from online retailers, the
tourist booking industry is losing traction in favour of online booking apps and many traditional
sectors and incumbents face new and increased competition. In addition, the growing trend
towards protectionist measures in some areas, especially in the trade war between the US and
2795 China, produces further strong headwinds.

But just because something is very difficult, it has never stopped us from trying. The
establishment of gaming operators has provided a skilled workforce and intellectual know-how
that we can leverage. This year we have already had success in the area of DLT licensing. We
believe there are considerable opportunities in this new technology. We are committed to
2800 Gibraltar playing a leading role in its development and use.

The tried and tested model in Gibraltar has been to seek out opportunities, license and
regulate to the best standards and invest in those sectors. The aim is always to position
ourselves as a centre of excellence in these various fields. Applying this approach, I want to
announce another opportunity which my Government will shortly be licensing. We are not first
2805 movers in this sector, which is already quite developed in a number of countries across the
continent. Having reviewed the experience elsewhere, we will seek to adopt a bespoke licensing
and regulatory regime to create a first-class ecosystem in this field. Many will have heard of the
advances in medicinal cannabis and how medicinal cannabis in different forms is used to treat
patients. We have made our own changes in Gibraltar to adapt medical laws in this respect.
2810 Indeed, we legislated last year for medicinal cannabis oil to be available on prescription to
patients of the GHA. We have attracted interest from a number of very reputable investors to
develop investments in Gibraltar in this new area. The proposals include the research,
development and production of medicinal cannabis products in carefully monitored and
regulated state-of-the-art environmentally advanced facilities.

We have given very careful thought to how this sector and technology might be leveraged in
Gibraltar, in particular how leading research and production talent can be attracted to Gibraltar,
producing a new world-class ecosystem in a new sector. Controls and monitoring will be
critically important to ensure that our good reputation is not threatened and is indeed positively
enhanced. We will therefore be considering licensing a select, highly reputable and well-
2820 resourced licensees. The new sector will provide diversification that can be exported from
Gibraltar. It will also provide high-grade, affordable medicinal cannabis products to care for local

patients. The new technology will bring jobs in cutting-edge medical research, product development and production. In certain cases, these new facilities will deliver synergies for existing infrastructural facilities with resulting environmental and operational efficiencies. This is the kind of innovation and opportunity we are keen to encourage. It also has the considerable advantage of being Brexit proof. In order to ensure the highest standards, we will establish an agency to deal with research, vetting of purchasers, levying of duty and ensuring quality of supply, meeting local and international standards and full transparency. Such an agency will facilitate trade with third parties, including government-to-government sales. The anticipated sales to European and/or other government agencies will establish our position within the sector and promote our good reputation and international links.

Mr Speaker, I want to take this opportunity on behalf of my Government – and on behalf of all Members of the House, I am sure – to thank you, the Clerk and all members of your staff for your assistance this year in the discharge of my functions as Leader of the House during the course of the year and indeed during the course of the lifetime of this Parliament. You have been far more patient than we deserve and you have been kind and helpful to a fault. Thank you all.

I also want to take this opportunity to thank all my remarkably hardworking Cabinet colleagues for their support throughout the past four years as we have led Gibraltar together through some of the most difficult times in recent years. I want to thank Albert, Gilbert, Paul, Joe, Joseph, Neil, Samantha, John and Steven for their support.

I must also record my thanks to the Chief Secretary, the Attorney General, the Financial Secretary and the Chief Technical Officer for their incredible energy, their incredible support and their determination to defend Gibraltar's interests. What a team: the most extraordinary dedication and the most incredible ability. It has been an honour to have the chance to work with you to date and I sincerely hope I will be afforded the honour of doing so one more time.

Mr Speaker, behind this Estimates Book and the planning for this debate, working on the presentation that we try to improve every year and that we will shortly publish is a team of people who keep smiling despite the many drafts and the many changes. Thank you to Ernest Tomsett, Susie Gonzalez, Nancy Reyes, Karl Lima, Charles Santos and Alison Cruz, as well as many others in the team who make it possible for us to account with such complete transparency and clarity to this House and to taxpayers generally. They work with great care, skill and diligence to ensure that we report accurately to the people.

I also extend my thanks to all in the team at the Ministry of Finance and Her Majesty's Treasury. I once again thank them all on behalf of the Government for their precise and careful work.

I must also, of course, thank my own team and the Press Office – the A-Team – at No. 6 Convent Place. They are the constant, unflappable face of the Office of the Chief Minister and I could not do this without them.

This year is a sad year, as a number of my personal team will retire. Giselle Taylor leaves to be a dedicated grandmother; she was the first person to address me as Chief Minister in the office at No. 6 and we will all miss her terribly. Close Protection Officers Derek Tilbury and Mark Hermida retire also: my personal best wishes to them both and my deep thanks for their friendship – they are both a part of our lives. Mr Speaker, believe it or not, Jimmy Dalmedo is going to retire! He has driven us all – every single Chief Minister since the 1969 Constitution has at one time or another been driven by Jimmy Dalmedo. He is highly deserving of recognition for the length and dedication of his service.

I carry political responsibility for other Departments which I have not gone through today in the course of my speech. The political moment in which we find ourselves has required a deeper analysis of some aspects of the economics of Gibraltar in this time in our history. Like last year, I do not want to keep the House for longer than I have to, but it is also unfair for me not to report on the excellent work which is being done in Customs, in the Drug and Alcohol Services, in the Civil Status and Registration Office, in Industrial Relations and Public Sector HR and in the BCA,

and to explain more deeply what is happening in the Income Tax Office and the Central Arrears Unit. I will therefore lay a detailed paper before the House that will set out the progress in these departmental areas also.

Mr Speaker, last year we could have chosen the road of sheer austerity in the face of impending Brexit. We did not do so. We balanced careful planning with the protection of the most vulnerable in our community and the lower paid. Ours was not a formula of austerity disguised as prudence, as some opposite seem to think would be best. We continued on our carefully charted course and our investments are paying off. The examples are everywhere. We have invested in schools, in health, in housing, in sports, in parks. Real people are already benefiting from these investments, they are enjoying the results of these investments, and that properly calibrated spending combined with our progressive approach and our commitment to social justice is what has delivered a new dawn for our people. You look at the numbers in this Estimates Book, Mr Speaker, and you realise that our commitment, our investment and our hard work is paying off. That is why we are reporting positive numbers, that is why we are getting ready to inaugurate new sporting facilities and populate a new healthcare facility, that is why we are preparing to open new schools and why we are able to finance the development of more affordable homes – because we take no risks, we plan carefully and we work diligently. And now for eight years we have demonstrated that our formula delivers success.

Members opposite have thrown literally every single argument going at us over the past eight years. Contradiction has not stopped them from saying one thing and then, when it has not derailed us, saying the other. Some of the Members opposite will say, probably in the next 24 to 48 hours, that we have done too much. Some of them will say that we have done too little. Some of them will say that we have done it too fast. Some of them will say we have done it too slowly. Some of them will say all of that, and probably even without a hint of irony. Think about it, Mr Speaker: they criticise me for saying I am not going to reclaim more on the Eastside and then they criticise me for saying I am going to reclaim more on the Westside. You really could not make it up. We are accused of inflicting austerity by people sitting next to alleged colleagues who at the same time accuse me of magnificent largesse. I do wonder what tack they are going to take this afternoon. Will it be, ‘You haven’t completed your manifesto which they invited me not to do’? Or that other old favourite, ‘You have completed the projects that you were elected to complete but at great cost and not quickly enough’? Or maybe that other great GSD hit: all of the above with different Members putting contradictory arguments against each other? Let’s see.

Given that they are making a habit of voting against the Budget, it is not going to surprise that the electorate are making it a habit of voting against them. I am not going to try to dissuade them, but I will make one confident prediction: starting from the moment that I sit down, we are in for a summer of a load of Opposition moaning, a summer of Opposition frustration and a summer of Opposition discontent. Imagine, as we start to open new sporting facilities, not one but four; new primary care facilities, not one but two; new schools, not just one but three this year and with hot meals in every school; and we start to sell affordable homes, not one estate but three – the frustration of our political opponents will be at fever pitch, I predict in August. It will be manifest in their repeatedly negative personalised and nasty attacks. Nothing will be any good. None of the new facilities will be worth welcoming. The Scrooge-like attacks will know no bounds throughout what is likely to be a long, hot summer of Opposition frustration and discontent.

I know we have done the right things today, as we have every day of the past eight years and as we will do every day in the future. We have done the things that matter, we have invested in the services that matter and we have delivered to the people who matter, the people who work hard every day or whose days are so hard that they cannot even work. That is the aim of every one of our Budgets: to deliver for working people, to deliver social justice, to ensure that those who can are free and able to do and those who cannot are properly provided for. That is why

2925 this is a careful Budget that honours the sacrifices of yesteryear, works for today and protects those who will come tomorrow.

I remember a Gibraltar where all our parents were paid in small paper envelopes on a weekly basis. How far we have come. We are on the right track and on the right road. Now I see a Gibraltar of entrepreneurs and workers in partnership. I see a Gibraltar of prosperity but not of greed, hungry to achieve but not gluttonous to gorge on the greed that would undo us. I see a Gibraltar we have built through generations that have never had an easy ride. And so, with Brexit still potentially on the horizon, these Estimates are not designed to deliver spending on goodies to win an election. These Estimates are designed to deliver spending properly, and carefully calibrated to protect our nation. That is my responsibility, Mr Speaker. That is our obligation and that is our aim.

2935 Mr Speaker, two terms, eight years: the best economic performance in Gibraltar's history, the strongest foundations taking root, and the best is still to come. And to think we were once called unfit to govern. This is a serious Budget for serious times by serious people: every generation provided for, every generation cared for, every generation with us as these spending plans propel this nation of ours forward toward a bright, successful future; a series of measures carefully designed to responsibly give back to every worker whilst equally responsibly continuing our policy of stimulating different parts of our economy to deliver both growth and social justice. That is what this Bill represents, that is what this Bill delivers, and that is why I commend this Bill to the House, Mr Speaker. *(Banging on desks)*

2940 Mr Speaker, conscious of middle-age bladder health, I would ask the House to recess for 15 minutes before we continue with the next speech.

Mr Speaker: The House will recess for 15 minutes.

*The House recessed at 1.55 p.m.
and resumed its sitting at 2.10 p.m.*

Adjournment

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should adjourn until four o'clock this afternoon.

2950 My officers advise me that it is not possible for me to move an arrangement I had at three o'clock, so I have consulted with the Leader of the Opposition and we have agreed that he will come back to deliver his speech at four o'clock.

2955 **Mr Speaker:** We will come back at four this afternoon.

The House adjourned at 2.11 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.07 p.m. – 9.28 p.m.

Gibraltar, Monday, 10th June 2019

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The Gibraltar Parliament

The Parliament met at 4 p.m.

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

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

Appropriation Bill 2019 – For Second Reading – Debate continued

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

5 **Hon. E J Phillips:** Mr Speaker, this is my fourth Budget address as a Member of this Parliament; it is my second as Her Majesty's parliamentary Leader of the Opposition. It is a privilege and a great honour to lead the Opposition in this House on behalf of the people of Gibraltar.

10 Before I get to the substance of my address, on behalf of Her Majesty's Opposition and with your leave, may I wish the Father of the House, Sir Joe – if he were to be here, but we will wish him anyway – a very happy birthday. Sir Joe has reached a very significant milestone and, despite our political differences, he is doing what he loves the most and that is to be sat amongst us debating money and how we should spend it. Happy Birthday, Sir Joe. (*Banging on desks*) I was going to say to him personally thank you very much, Sir Joe, for your present to us,
15 namely your confirmation last week that you will be standing for election once again. Mr Speaker, we would not have it any other way. (*Banging on desks*)

To members of the Jewish community I extend a very warm festive appreciation for the feast today – I think it is Shavout; I apologise for my pronunciation.

20 Mr Speaker, I would also echo the comments made by the Chief Minister in relation to the Gibraltar Defence Force and we of course sit side by side with the Government in respect of the comments that he made there and echo the comments he made in relation to the 1969 Constitution and all those who contributed.

25 We must recognise the work of the Clerk of the House Paul Martinez, Frances, Kevin, Daniel and of course you, Mr Speaker. This has been a busy year for a number of reasons. Firstly, Parliament has been instrumental in bringing about the introduction of a rolling register and other changes which are intended to improve and modernise the way in which we organise our democracy at election time.

30 Secondly, Parliament had the unenviable task of ensuring that as many of our people as possible participated in elections to the European Parliament. I said on the day, in an interview with GBC, that we as a people fought for the right to vote and it was our duty to show up and exercise a vote which repeats and reflects the majority view of this community to remain within the European Union.

35 Thirdly, we are now looking at the issues that will arise in the context of enlargement of this House, which we will support. The task of enlarging this House is not straight forward, but it is an important first step in the right direction. It, like any issue that faces us, has its detractors, but I say to those who are not supportive of enlargement that we must look to improving our democracy by allowing in this House for the first time people who wish to participate in politics –

and importantly young people, who have so much to offer our political discourse – who may not necessarily want to form part of a front-bench Government or Opposition. The involvement and participation of the back bench of this House can only serve but to strengthen and enhance the quality of democracy in our community. Just to react to the Chief Minister’s comments about our feedback in respect of the motion, I can confirm that that now has been sent to him. We have spent some time over the last week considering the implications of that document and our feedback has been provided, I believe, this morning.

Mr Speaker, we wish Paul, Frances, Kevin and Danny all the very best, and you, in a year that is now the General Election year.

I would also like to thank our frontline team in the House, comprising the Hon. learned Mr Feetham and the Hon. Mr Clinton, Mr Hammond, Mr Reyes and Mr Llamas, as well as our executive, members and our hardworking staff at College Lane, all of whom do excellent work in working closely with members of the community, irrespective of party allegiance, in serving Gibraltar; and the Leader of the party, Keith Azopardi QC, who has done excellent work in developing the grass roots and taking our party forward to the next General Election.

I would also like to extend a thank you to all members of our great community, who speak to us every day and who share their experiences, concerns, anxieties and frustrations. Without the support from members of the public we could not do this job. We are here to serve the people of this wonderful community, and rest assured that by speaking with us and sharing your experiences you are participating in opposition together with us to make improvements to the lives of many in our community.

Mr Speaker, the role of parliamentary Leader of the Opposition is not a role that I have embarked on a journey to achieve, it is not a role I have sought by competition or otherwise; it is a role that fate has delivered and I am acutely aware of the responsibilities of this office and my duty to the people of Gibraltar. It has been an absolute privilege to serve my community in this role. My role, along with hon. Members on this side of the House, is without fear or favour to challenge, scrutinise and hold to account the Government until such time as the people of this community place 10, or possibly 15, crosses next to our names on the ballot paper and restore the GSD to a position where it can administer the public affairs of our community once again.

The role of the Government at Budget time is to reflect on the state of the nation and debate how Gibraltar’s finances are being managed and operated. It is for the hon. Members opposite to reassure our community that the public purse is being safely, wisely and securely administered for the benefit of our community and future generations of our people.

The role of the Chief Minister, particularly at Budget time, is multifaceted. Firstly, it is the Chief Minister’s duty to reassure our community that our political development and economic independence/competence is protected and preserved at all costs for future generations of Gibraltarians by the introduction of measures that seek to strengthen Gibraltar’s economic place in the world. In that regard we would join with the Chief Minister in thanking those who for over half a century, as he described, have contributed to making our community a success and we honour them in the same words that the Chief Minister used in his address and intervention.

Secondly, a Chief Minister should be mindful of his primary duty to the people and must reassure us all that the Budget and its measures are designed to support hardworking families, our senior citizens, our young people and our students both vocational and academic, as well as the most vulnerable in our community. The Chief Minister has suggested that this Budget is about working people and families, but we would argue that it does very little indeed to reassure people or families that they are at the top of the agenda. It does very little to deliver the security that our community is seeking in increasingly uncertain times.

Thirdly and specifically, given that we may leave the European Union on 31st October 2019, the Government should now exercise a high degree of caution and they should be circumspect in Budget announcements and about future spending pledges, particularly at election time. We are at a critical juncture in our economic and political separation from the continent of Europe and now more than ever we cannot turn the next election into an auction.

90 It is clear from the Hon. the Father of the House's pre-Budget party political broadcast at the
end of last week that he recognises that we are about to face very significant challenges. Sir
Joe's health warning coupled with a number of messages from him which have been drip fed
into our political discourse over the last 12 months clearly show that at the very least he
understands that we are expecting a decline in our recurrent revenue. Sir Joe talks in the
95 abstract about the risk of losing our way, what I take to mean our economic competence that I
have commented on in my contribution. Sir Joe talks about and warns our community about
caring more about one year's payroll than the quality of life for future generations of
Gibraltarians. Sir Joe offers a stark warning to those that sit with him and they should heed that
47 years of experience. It was also evident that Sir Joe was creating clear blue water between
100 him and the Chief Minister by saying that he was only responsible for economic development
and not industrial relations, the public service or indeed public finances. This was a clear side
swipe to the man sitting at the right hand side of the Father of the House, the Chief Minister.
Although a party political broadcast, the audience for Sir Joe's health warning last week was not
for our community at large but for one man alone: the Chief Minister. I commend the Hon.
105 Father of the House for his commitment to standing again, for if they are successful next time
round at least our community can count on him to be the handbrake to the champagne socialist
penchant for their addiction to spending.

Mr Speaker, the next election must be about who is best able to properly prioritise the
delivery of public services, particularly training, housing and care services amongst many others.
110 As many will understand, I have focused much of my time in politics on developing policies
which further opportunities for young people who do not necessarily wish to pursue higher
education. I have focused on the forgotten sector of our community that feels entirely
disconnected and ignored by the Government which is charged with the ultimate responsibility
of protecting it. There was not one mention in the Chief Minister's intervention this morning in
115 relation to apprentices. He did refer to T-Levels but not one mention in a four-hour contribution
to this House of that most important aspect of Government policy in relation to apprenticeships.
He did mention it last year, Mr Speaker, but mysteriously it disappears from his speech this
morning, clearly demonstrating the lack of commitment in relation to apprenticeships. I have
described the lost generation of our young people who have no skills and no aspiration. The
120 Government have failed our young people and that must change now. The future of our
community depends on not leaving one young person behind and on making them an integral
part of the engines of our economy. We will be nothing without a highly skilled workforce.

All of us in this place are servants of the people. The people put us here in these respective
roles because they believe, based on our commitments, that we are best equipped to represent
125 them. We are charged in this House with ensuring that the public obtain the best value for
money and that we transparently account for the money that is spent on behalf of the people.
The people must rest assured that their money is being spent in a prudent and efficient way
which maximises delivery to service users, i.e. our citizens and our businesses.

In the setting of priorities we must ensure that money is properly spent on delivering
130 education and training opportunities for future generations; ensuring that everyone who is
unable to buy on the open market is given an opportunity to own an affordable home within our
homeland, and if they cannot, provide social housing which will allow transition to affordable
housing when and if circumstances permit – Mr Speaker, I will have more to say about this
particular subject in due course, particularly the revelation in relation to the sale or otherwise of
135 the affordable housing estates; ensuring that we provide the best possible healthcare available;
ensuring that our citizens who have built the Gibraltar we live in today are given the support
they need to see out their latter years with a quality of life they deserve; ensure that the
vulnerable and those with disabilities are given the protection of the law and are provided
lifelong support; ensure that our land is used wisely to ensure that there is a balance between
140 the built environment and green areas, which enhance and enrich the quality of the place we
live in. I gather from the Chief Minister that he accepts that argument now and he accepted it in

his Direct Democracy contribution last week and here today, and that they accept, of course, that they have failed to get the balance right insofar as the proper use of our land in our community. Mr Speaker, we must also ensure that the private sector, the engine of our economy, is cutting edge at all times and never under-supported. We must ensure that our public service is given the tools and training to provide an excellent service to our community and support the private sector and ensure that Gibraltar continues to be promoted internationally in commerce and business to create wealth and prosperity for all of our citizens.

These are but a few examples of how the people's money should be focused. Having said that, the duty to administer the public purse is not, I suggest, an easy one and the demands on it are great. There are priorities in Government which mean from time to time people may need to wait and some projects may not arrive on time, but in a time where our future is looking increasingly uncertain given events unfolding 1,091 miles away from our shores, we need to ensure that we are prepared and focused on our resources and priorities.

Mr Speaker, the Chief Minister has on a number of occasions publicly described the resources available to Gibraltar as our land – and I think he repeated this again today – and our people. I agree with the hon. Gentleman, Gibraltar's assets are limited to our land and what we can produce as a people. Therefore it is critical that we invest properly in those pillars in order to maximise economic growth. Those investments in our land and our people must be open to scrutiny and public examination so when we come to a general election the people for themselves can decide whether or not the Government has properly and efficiently invested in our two resources. We cannot properly evaluate whether or not those investments are properly or efficiently made, because of the impenetrable web of companies and structures deployed by the Government in order to hide the mass of layered debt facing future generations of our people. How many times have we heard hon. Members opposite blatantly evade and refuse to answer questions put to them?

I recently watched an interesting speech delivered by the self-described capitalistic-minded socialist, the then Joe Bossano now Sir Joe, before the National Press Club on 9th July 1988, soon after the Hon. Father of the House became Chief Minister. Listening to a much younger Sir Joe it was certainly clear where the Hon. Chief Minister lifted his last year's contribution to the debate on the Appropriation Bill: from Sir Joe. I will resist the temptation to repeat the Chief Minister's mistake and plagiarise the Hon. Father of the House, but he said something in 1988 which resonates with what we have been saying for years. He said:

I believe in generating economic growth one needs to be able to capture individual dynamism.

Mr Speaker, Sir Joe in 1988 was right, and if that is something he continues to stand by 30 years on I whole heartedly support that. The takeaway from the Father of the House in his 1988 speech is that we must invest in one of the two primary sources, our people. A big part of that is apprenticeships and skills training, which we have passionately argued for, and presented and promoted a set of serious policies which put young people at the centre of what we have described as the digital economy. We believe that in uncertain times we must create a highly skilled workforce for the jobs of the future and not slowly react to what we have now. We must set our targets high.

The other pillar is our land. The Government have for many years been irresponsible with the proper use of this important pillar. Our land represents the jewel in our economic crown. Land use must be for the benefit of all of our people. The sovereignty of our land rests with our people and they must all retain an interest in it. Our land should not be for the benefit of the few – the rich – at the expense of hardworking people of our community, and I invite the Government to rethink land use completely and look to a 25-year plan which sets out a clear vision on how all in our community can obtain a stake in large-scale developments such as the now infamous Victoria Keys project, which serves the interest of a small group of developers rather than everyone in our community. This is our land and it must benefit all of our citizens.

The Government like to portray themselves as the most open and transparent administration to have ever occupied No. 6. Mr Speaker, not true. Development in our community is unplanned, unregulated and directionless. Gibraltar is now unrecognisable with horribly insensitively designed buildings which are destroying the physical fabric of our community for the sake of profit and without any real assessment or consideration for how our people wish our community to look in 25 years. Do you not think, Mr Speaker, that our people should have a say in what Gibraltar should look like?

The problem we see is that the Government have been and are being politically dishonest. They hide away everything behind a curtain and the refusing-to-answer-questions approach is doing a great disservice to the people who place their trust and confidence in the Government. The Government needs to be honest with the people who put them in office in the first place. People will understand and respect honesty. This community deserves a Government which is prepared to open its accounts for all to see. Our community deserves no less than political honesty in the way that the people's money is being spent. Last year we talked about the Big Lie Budget and I am afraid to say that nothing has changed. Do the Opposition know more about the way in which public money is being spent? The answer is plainly and emphatically no. Remarkably, each year we know less and less about the economic position of our community.

Mr Speaker, the Chief Minister says the Book has not changed and effectively says, 'You did it, so why shouldn't we?' That is not good enough. At a time when our community is reflecting on the slamming shut of the land frontier gates with Spain by General Franco 50 years ago and the unsuccessful economic siege and starvation – or economic strangulation, as described by the Chief Minister this morning – of our community during the 13 years of a closed border with the continent of Europe, our community arguably once again faces the real prospect of a closure of an economic gateway to the European Union. We can spin this until the cows come home and we will no doubt survive, as we have always done, but leaving Europe is not something anyone of us wanted and it will present us with a serious and significant set of issues moving forward. We have been told that over 90% of our care workers are crossing the land frontier each day, and we must ensure that our ability to respond to a severe curtailment at the land frontier is mitigated. I know, from my helpful briefing with the Deputy Chief Minister, that the Government continue to plan to lessen our very significant overreliance on the land frontier with Spain and I look forward to hearing his contribution on this topic during the Budget.

Mr Speaker, when we talk about duties and the role of Government, particularly when we talk about the Budget, we should be primarily focused on the detailed plans for improving the lives of people and families. It is worthwhile pausing and going back to the first meeting of the then first House of Assembly on 28th August 1969 to reflect on the words of the then Chief Minister, Sir Bob Peliza, who commented on the possibility of Britain joining Europe and the duty of all in this House to strengthen our economy and better the standard of living for all Gibraltarians. Sir Bob said:

We must not lose sight either of the possibility of Britain joining Europe and we must not find ourselves left out of this great venture.

We shall take good account of everything the Opposition has to say and I feel confident that, our political differences aside, we shall all work together for the good of Gibraltar.

We shall allow nothing to delay the completion of such tasks as are urgently necessary to strengthen the economy of Gibraltar and better the standard of living of all the Gibraltarians.

To achieve this we shall seek the full cooperation of employers and employees and of traders and workers alike, because only genuine understanding and mutual confidence can bring wealth and prosperity to Gibraltar for all to share and enjoy.

Budget measures must have one overarching principal – that is to say that the best interests of our community as a whole must prevail; or, to put it another way, as Sir Bob put it, the wealth and prosperity of Gibraltar for all to share and enjoy. Of course we do not live in a utopia and despite the attempts by the hon. Gentleman to pull the wool over the eyes with his rose-tinted presentation of everything he does, governing Gibraltar means making tough decisions, often

without popular support, but be taken they must for the betterment of every man, woman and child of this community. Decisions, particularly on spending, must be made fairly and openly for everyone to scrutinise, even more so when we face the most important challenge of our times: Brexit.

The Budget, therefore, is an important opportunity for the whole House and our community to reflect on our public finances in fine detail. The Budget must be the moment each year when the Government fully and transparently discloses in the clearest possible way for all to understand and to allow the people, through its elected Opposition, the real opportunity to test whether the Chief Minister is doing a good job of serving the people of our community and fulfilling the duties I have set out. The Budget should allow Her Majesty's Opposition to robustly test the strength of our economy and its forecast for the coming year. Every Chief Minister's primary duty is, to use the Chief Minister's own words, to safely and securely navigate our community. Therefore, a failure to be less than fully open and transparent on the state of our public finances is a betrayal of the rationale set out by Sir Bob in the first meeting of this House under our former constitutional arrangements and to betray the people of our community, which we all serve. People expect and deserve a Government that truly and without fear allows the public scrutiny of its books.

It is, Mr Speaker, with a deep sense of regret that I must inform this House that once again the Budget does very little at all to reassure the people of our community that our economic position in the world is being safeguarded or that hardworking families, our elderly, our young and the vulnerable are at the epicentre of this Budget or its measures. This Budget does very little for working people or families but does more to make the wealthy more prosperous. It is because of the abject failure of the Government to allow this House to have the slightest degree of oversight over the public finances of this community that Her Majesty's Opposition will vote against the Estimates of Revenue and Expenditure again, as it did under my predecessor, my learned and hon. Friend Mr Feetham. (*Banging on desks*) (**Several Members:** Hear, hear.)

Mr Speaker, as my learned and hon. Friend Mr Feetham said last year, the Government is undertaking extreme re-engineering of the way our public finances are managed, operated and presented. The position set out by the hon. Gentleman sadly remains entirely relevant and on point. We described the Chief Minister's Brexit Budget last year as the Big Lie Budget and nothing has changed, save that he now describes the Budget as a Budget for families and working people. We have said and continue to argue that the true debt position of Gibraltar is not reflected in the Book we are debating this week. The Government has intentionally and wilfully excluded the true level of debt from public gaze, and for that we hold them to account for their abysmal failure. The Chief Minister will attempt to argue that our position on the Budget is repugnant and wrong, that we are playing into the hands of our enemies and that civil servants will not be paid. Utter tripe, Mr Speaker! How on earth can we be playing into the hands of our enemies? Our civil servants will get paid, come what may, next week. The suggestion by the Chief Minister is entirely misleading and ridiculous. The people will not be fooled by his spin; in fact, it is clear that they are fed up with him.

Mr Speaker, we oppose the Budget not because of what it says but for what it does not say about our public finances. The numbers do not speak for themselves. That is the whole point. The Government has failed again to present a clear, transparent, accurate and unambiguous reflection of the state of our public finances. We cannot support a wholly opaque financial statement in the Budget which handcuffs the elected representatives of this community from properly and effectively scrutinising the public finances of this community. The annual debate on the public finances of our community is no such opportunity to examine the Government's books. Anyone watching or reading these contributions to the debate will quickly learn that it is simply a rubber-stamping exercise which allows no element of deep reflection or analysis of the true record of the state of our public finances.

The greatest example of how the Government hides debt beyond the scrutiny of this House is its complete failure to properly record the costs of the new schools. Last year, I made the point

that the £52 million schools – now £100 million schools, according to the Chief Minister’s letter to the Teachers’ Union – were not recorded in the Budget. Mr Speaker, the new schools are not even recorded in this year’s Estimates either. This represents an outrageous £100 million hole in the public account of our community. How can the Chief Minister, with a straight face, say that the Book he presents to our community is an accurate reflection of the true financial position of this community?

One only has to go to head 102 of the Book, which sets out the expenditure from the Improvement and Development Fund, to look at the extent to which the Government will go to avoid telling the people the truth about public finances. If we go to head 102, there is a list of projects that the Government has listed in their document. A number of examples: the first is infrastructure provision for the housing project, £1,000; urban waste water treatment plant, £1,000; the Jewish Home, £1,000 – and of course the Chief Minister said that work would be undertaken in August in relation to the Jewish Home, which we of course welcome, but he has listed £1,000 in the Book; Eastgate Customs search facility, £1,000; demolition of Waterport Power Station, £1,000; relocation of Aquajet facilities, £1,000; access road to the new power station LNG plant, £1,000; construction of car parks, £1,000; the Gibraltar Development Plan, £1,000; infrastructure works at the Frontier, £1,000; theatre, £1,000; new school projects, £1,000. How is that a reflection for many people in our community that reflects to the community ‘this is how much things cost, this is how much we want to spend’, when all the Chief Minister or the Government does is list each one of those £1,000 next to each one of those significant projects?

Mr Speaker, it is the complete absence of these items that I have referred to and how the Government can sit there and expect anyone listening to believe that they are being truthful with the public finances of this community. Absent a full account, the annual Budget debate defiles good governance and the proper administration of our community, and the people deserve better.

Our role, as I have said, is to respond to the so-called state of the nation address by the Chief Minister and his Government. The Chief Minister requires an immediate response, so I am grateful for the hour that he has allowed us to digest some of what the Chief Minister said in four hours, and we have had no real opportunity, particularly in the role that I am fulfilling, to thoroughly digest what the Chief Minister has said in order for hon. Members of this side of the House to formulate a well-considered response to the state of the nation address. Let’s try and do things differently – but no, we were given a very short time to digest, and I actually have not been provided with a copy of the Chief Minister’s address either. But in any event, Mr Speaker, we have been given a very limited opportunity to respond. We had no choice but to prepare for this debate in advance and reflect on how we see the state of the nation.

We fervently believe that the Chief Minister of the day should not be the Minister for Finance and therefore, true to that policy, the Hon. Mr Clinton will reflect in detail on the Book and the numbers in his contribution to the debate.

When the Chief Minister and his team were first charged with the responsibility of administering the public affairs of our community, the mantra or slogan that rang out during that campaign was ‘Time for Change’. People, by a small majority, felt that there was a need for change and to change the way we were governed. The GSD lost and we have been asked to be their Opposition.

Last year the Chief Minister asserted that the Government had demonstrated that they know how to spread the wealth and they know how to manage the redistribution of wealth in our community. The GSLP-Liberals do not know the meaning of those words, Mr Speaker. The Government, true to form, believe in a one-way distribution of wealth that profits the small select few and ignores the many. They profess to be socialists, but their policies are creating a divided society. The rich are getting richer and those at the bottom of the pile have no hope, no aspiration and no support to improve their lot. We in the Opposition see this every day.

They talk about helping those less better off in our community, but do they actually hear the concerns of parents worried about the lack of opportunities for their children?

Do they listen to single parents and young people who are struggling to find a home, with many having to wait, in many cases, in excess of eight years for an allocation? The Government's social housing policy, as we have said, is unworkable, cumbersome and cannot adequately provide for those most in need. They fail to listen to Action for Housing and the newly formed Landlords' Association to understand that both organisations, despite their differences, are looking to improve access to a good home.

They fail to listen to young people who cannot get a job, some of whom resort to the illicit tobacco trade to support their families.

Do they talk to those recovering from drug and alcohol addiction and truly understand what support is needed at secondary care/aftercare to deliver a more effective response to substance abuse in our community?

Do they talk to the victims of domestic violence and the Police and understand the response level required to deal with over 300 cases of domestic violence a year?

These are just a sprinkle of examples as to how out of touch the Government are with working people, and it is hard to fathom how they now come to this House and argue that the Budget is all about protecting working people. Mr Speaker, working people will not be bought; all they want is fairness.

On Friday, 25th November 2011, in a pre-election promise made eight years ago in that election campaign, education was made a top priority. Those opposite promised that by working in partnership with business they were able to guarantee a job on completion of vocational training. They set out their stall and their policies, which they said would create an expanded and, they believed, highly motivated body of teachers. Roll forward seven and a half years and we find a demotivated, largely ignored and dissatisfied teaching profession. Teachers have descended on our streets only to be insulted and undermined by the Government of the day. Last week, the Chief Minister conceded in his contribution on *Direct Democracy* that this was the first time in his lifetime that he recalled that teachers had marched on the streets to No. 6. The Government has mishandled the situation and it represents a significant earthquake in industrial relations and demonstrates that they care very little for the people who teach the future generations of our community.

The Government talk about a revolution in education, and what is left behind is a string of broken promises and a generation of lost, uninspired young people and a frustrated teaching profession, a profession who have all been at pains to tell that teaching is more than just a building and a pay claim, it is about respect. The Government talk about a revolution in education – perhaps they should start by listening and earning the respect of the educators of our children, instead of lambasting them in the public domain. Social media coverage of the Chief Minister's engagement at the demonstration outside No. 6 in which teachers expressed the depth of their feeling on this issue was met with arrogance and disrespect by the Chief Minister, not befitting the office which he holds so dear. The Chief Minister said today that teachers have not stayed in the classroom – true, Mr Speaker, I agree with him: they marched on No. 6.

Last year, I described the Government's low point as the Chief Minister's *annus horribilis*; 2019 demonstrates there is a wide fissure between the Government and the people. There is significant discontent on the domestic agenda, which I have alluded to, and foreign affairs in the context of Brexit, which I will come to in due course. What is clear now more than ever before is that the people of our community have lost trust and confidence in the Chief Minister and his Government. The Government fails to govern for the majority of the people of this community, choosing to favour the select few. Nowhere is the large scale of discontent more evident than in the Chief Minister's handling of industrial relations, which I will come to shortly.

Mr Speaker, it has been nearly three years since the British people decided in a referendum to leave the European Union. The Chief Minister reflected this time last year that 'it is now

increasingly likely that the United Kingdom will leave the European Union on 29th March this year'. That date, as we all are now familiar with, has been extended, by agreement with the 27 nations of the EU, to 31st October 2019. The clock is ticking and in the last 12 months we have held a collective breath on the events as they have unfolded in Westminster.

The political theatre being played out 1,091 miles away from our shores continues to wreak havoc and shake confidence in Britain. Our position on Europe could not be more different than the UK. None of us here or outside this place desired this outcome. All the peoples of the British family have the right to thoughtful and careful leadership from a PM at this time, but putting the same bad deal before the Commons time after time without putting it to the people was wrong. Now this has been left to a new PM to carve his or her initials into the withering Brexit tree. The Prime Minister's disregard for UK MPs in the context of putting again a bad deal before the Commons is equal to the Chief Minister's circumventing parliamentary scrutiny of the agreement, the MoUs and the Tax Treaty, all of which were negotiated on behalf of the Government.

In March this year, with Adam Bolton on *Sky News*, the Chief Minister shifted his position yet again. It will be recalled that the Chief Minister described the Prime Minister's deal as good for the UK and therefore good for Gibraltar. The Chief Minister then said it is the wrong deal for the UK and not the best deal for Gibraltar. Today he tells us that we should add our grain of sand and seek a confirmatory vote. He talks about the tectonics or the movement; however, he is the ultimate shapeshifter and spin master, Mr Speaker. The Chief Minister refuses to accept that he has misjudged Brexit. On the one hand he wedded himself to the Prime Minister, being the only cheerleader at the party dancing to her tune. *(Interjection)* Mr Speaker, the music has stopped, the PM is on her way out and it looks likely that a hardnosed Brexiteer will be the bandmaster. The Chief Minister of course continues to coyly dance to the tune, but is looking for someone else in the room to slow dance with. This at the same time as delivering a red, white and blue pro-remain and pro-people's vote with the mantra of 'Revoke, Referendum or Remain', no doubt penned by his friend Alastair Campbell or another second-rate spin doctor.

Hon. Chief Minister: Yes, but I thought of that second-rate spin myself!

Hon. E J Phillips: Mr Speaker, the only people who know what is best for the people of Gibraltar are the people themselves and their representatives, not a wounded Prime Minister of the United Kingdom.

We did not see him protesting with many hundreds of thousands of people on the streets of London with my learned and hon. Friend Mr Feetham for a people's vote.

Hon. Chief Minister: We didn't see you either!

Hon. E J Phillips: Because I was here, Mr Speaker. Anonymity in crowds with people is not for the Chief Minister. He of course prefers VVIP airport lounges and slipping in and out of black limos, destined No. 10 Downing Street, sycophantically supporting the then mortally wounded Prime Minister. That is more his thing. We learnt as much from his *Direct Democracy* contribution last week, saying that apart from the late Sir Joshua Hassan he enjoyed the best relationship with the last two UK Prime Ministers.

The Chief Minister lacks leadership and strength of character in the battleground that is Brexit. He should say loudly and proudly, 'This is who we are as a people and this is what we want.' The Chief Minister has supported a reverse Greenland proposal, he has supported the three times rejected Withdrawal Agreement and he has suggested that the EU's response to Gibraltar has turned us all into Brexiteers, whilst he continues to court whoever is prepared to listen to him in London and completely misses the opportunity to recalibrate our relationship with the EU and the UK. Of course, as I said earlier on, no one will forget his grand *Sky News*

440 Adam Bolton Brexit U-turn. Don't worry, Mr Speaker, we will play it again at General Election time.

Her Majesty's Opposition has always been clear that if Brexit is inevitable we wish to see a relationship with the EU recalibrated on the basis of retention of freedom of movement and single market access. We have been saying so for a long time and urging Government to put its
445 case to achieve that. Instead, the Government have been ambivalent and have not vigorously pursued achieving these objectives for three years, in part because they have been saying this debate is not for now – but the fact is that most of the debate that has been raging in the UK for months now is about the nature and quality of the kind of relationship the UK wants with the EU. We run the risk of missing the boat if our aspirations are not put strongly. The Government
450 has already wasted a long time. It needs to make its voice heard by all sectors of political opinion in the United Kingdom. We need to be positive and speak loudly about how we see our future and be specific about the relationship we want with the EU.

All of us in the House are trying to do what we can in reassuring members of our community of the outcome, which is increasingly uncertain, but we must hold firm and as we approach the
455 wire and hold a collective breath, and whilst our community reserves its judgement on the Government's handling of our negotiations in the context of a bad deal, we have to expect that our Government has secured all objectives and prepared us for all risks. We say 'expect' because the Opposition has had no meaningful participation in this process. We repeat: should the Government call upon us to assist in any way as the clock is run down on this most important
460 moment in our history, we will do whatever we can in the national interest to protect our community.

Mr Speaker, I did have a number of things to say about the Tax Treaty and I will reserve most of our comments in relation to that for the appropriate time, when the motion is debated before the House, save to say this. The Chief Minister hails the so-called Tax Treaty – or, to give it its
465 formal and proper name, the International Agreement on Taxation and the Protection of Financial Interests between the UK and Spain regarding Gibraltar – as a victory. This, of course, is no victory. It is a surrender by him of our fiscal sovereignty. The Chief Minister continues to speak to the benefits of the agreement in a superficial way without substantively addressing the real concerns of people and business. This agreement is yet another bad deal for the people of
470 our community. The Chief Minister asserts that the agreement recognises the Gibraltarian for the first time and he has suggested that there are even rumours in Madrid that Spain may renounce their claim over our homeland. Clearly, the Chief Minister has not read the recitals to the agreement, which repeats the reservation of the legal positions of the UK and Spain with regard to sovereignty and jurisdiction. Be that as it may, if the Chief Minister manages to secure
475 a full renouncing by Spain of its claim to our homeland, we will be the first in the queue to shake his hand and congratulate him. It is, of course, the duty of every Chief Minister never to water down our community's red lines and to encourage and promote dialogue in order to advance our national interests.

Mr Speaker, the cost of Government, to the people, is astronomical. According to the Book,
480 the estimated cost of running the Government is £676 million-odd, or put another way, £56 million a month, increasing by 8% this coming year alone. The cost of administering this community has gone up 76% since they were re-elected in 2015: £56 million a month and rising. The Hon. Mr Clinton, as Shadow Finance Minister, will have much to say about this, which in many ways chimes with the Hon. the Father of the House's health warnings of the past and
485 present, and he will no doubt talk about the ratio of expenditure to revenue.

Since the Hon. Chief Minister has been in that chair he has stubbornly pursued a course of pushing all capital projects outside the scope of this House and beyond the scrutiny of those who put him in that chair. The £300 million loan secured against our housing estates – and now the revelation this morning about another potential mortgage that we will now review; a 'sale'
490 he describes it as such, of £165 million minimum against our affordable-housing homes –

through a web of corporate structures is but one example of the Government circumventing and therefore hijacking Parliament.

In relation to debt, if you believe the Government, our gross debt position is £447.7 million, but that does not include the £300 million mortgage of our housing estates or £400 million hidden away in Credit Finance. Our true gross debt position we calculate is around £1.24 billion, or to put it another way, a £40,000 debt around the necks of each citizen, man, woman and child. With the latest revelation in relation to the sale or mortgage, we are yet to find out the true position in respect of that – I am sure Mr Clinton will be at Companies House first thing tomorrow morning assessing what the damage is; (**Hon. R M Clinton:** Done it already.) I am informed he has done it already, Mr Speaker – but that true debt position will have to increase to £1.4 billion, or indeed, or also, £48,000 around the necks of each man, woman and child of our community.

It is again worthwhile reminding ourselves and our community as to what the Chief Minister said when he was in this seat. He said:

On the GSD Government's own figures, we are already at least £480 million in debt in terms of Gross Debt. Gross Debt is the relevant figure for analysis of national debt that you would see referred to in any publication considering the national debt of any country. That works out to £16,000 per man, woman and child. The GSD then referred to that level of debt (which it has now quintupled) as a 'millstone round the necks of future Gibraltarians'.

Mr Speaker, I ask the Chief Minister: does he continue to put forward that analysis of national debt? And how does he rationalise that with what he has said in Opposition and the fact that he has created £40,000 debt around the neck of each man, woman and child in Gibraltar? The Chief Minister has doubled the level of exposure to each man, woman and child.

We now have a situation where the vast majority of our debt is hidden from public scrutiny. It will be recalled that the Government changed the legal debt limit and relied on the debt to GDP formula instead of linking debt with revenue. If you combine this hidden debt of massive proportion, it is clear to all that the presentation by the Government of the debt position is entirely false and misleading. This Government is debt ridden to the core. As I have said, the Hon. Roy Clinton as Shadow Finance Minister will delve into the detail and my learned and hon. Friend Mr Feetham will add the historical context, which will show how we have got ourselves to this very sorry state of affairs by spending over £750 million in the first four years of the GSLP-Liberal Alliance's administration of the public affairs of this community.

Mr Speaker, turning to industrial relations, if we thought 2018 was bad, nothing could have prepared the Chief Minister for the collapse in his so-called socialist Government's relationship with the three main unions, which lies in tatters. Last year, GHA workers staged a 400-strong walkout over longstanding concerns regarding supply workers. The Enough is Enough campaign sent a clear and loud message to the Government. Last year also saw discontent at Borders and Coastguards, the uncertainty over the municipal cleaning services contract – and who could forget the Medoc saga?

In the first six months of this year a staggering 1,500 people took to the streets to protest against the Government's mistreatment of agency workers, an issue which has been pressed consistently by Members of this side of the House and particularly the excellent work on the ground done by my hon. and learned Friend Mr Feetham, who has protected the rights of workers in Gibraltar wherever they come from. On behalf of Her Majesty's Opposition, I congratulate him on the excellent work he has done to support agency workers and increase awareness of this significant issue. That was, of course, a sign of things to come, worsening industrial relations with the main unions in Gibraltar having been the order of the day. The Chief Minister attended the May Day rally for no longer than a few minutes before being scurried off by his personal protection team after being heckled by a group of concerned workers. I suggest that he should get used to the heckling: it is fast, and sadly, becoming the norm.

The last 12 months have seen serious issues of mismanagement of the Government's industrial relations policy – or distinct lack of it, as I have said – in relation to agency workers, the introduction of a 10% responsibility uplift for certain favoured public employees, a social media policy that proposed to affect the ability of civil servants to exercise freedom of expression, the continuing failure to provide real and thorough vocational opportunities to people, the failure to properly engage with teachers on educational reforms or pay, and the proposed introduction of a digital authority, amongst other matters.

We are pleased to hear the Chief Minister's comments in relation to zero hours contracts and we welcome that commitment. We would like to see more of it, of course, and we will analyse that once that has been released.

In relation to skills and training, the Opposition is the only party with a clear vision in relation to the creation of real training, real skills, real jobs and real opportunities. (**Hon. D A Feetham:** Hear, hear.) (*Interjection*) Sir Joe, in 1988, talked about economic growth by capturing individual dynamism. You do not do that by being reactive about skills. The Government's failed Job Strategy has created a lost generation of untrained and unskilled young people without hope or aspiration, and that will be this Government's legacy. (**Hon. D A Feetham:** Hear, hear.) We have talked about the skills cliff edge for five years now; we are now talking about a skills abyss. The calls from the Opposition, the unions, the Chamber, business and, importantly, young people and their families are largely ignored.

If we are serious about the principle that one of our two main resources is our people and we are serious about attracting significant business from the Far East and Asia to set up and invest in Gibraltar, we need to ensure that our people are the best prepared to fill those jobs. Apprentices are not workers; they are students. We need a state-of-the-art, bespoke, industry-orientated apprenticeship programme that works in partnership with education to deliver a world-class apprenticeship degree. We support the introduction of the T-Levels; in fact, we promoted it even before the Chief Minister decided to include it in his Budget last year. He again now repeats his own commitment to T-Levels, but this does not go far enough. I know he wants to ignore the point, but he does not go far enough in relation to the training of our young people. We support T-Levels, as we have said, but there needs to be a joined-up approach with the University of Gibraltar. Not everyone seeks a university education and we need to ensure that we leave no stone unturned in creating opportunities and developing world-class and globally recognised skill programmes. He talked in his intervention today about those who feel neglected, abandoned and forgotten. I put it to him, Mr Speaker, that there are many young people in our community without skills and without the hope of training, who feel neglected, feel abandoned and feel forgotten – but no mention of them in this Budget; no mention of what the Chief Minister and the Government will be doing to help our young people in acquiring those skills for the future. Sir Joe understands this, but the populist Chief Minister does not and it is certain that his cheerleaders do not either.

What Gibraltar so desperately needs are proactive policies which position our young people at the forefront of the digital economy. We have said that encouraging the digital economy to establish in Gibraltar is a good thing and we commend the efforts made in the FinTech sphere. We must do what we all can to encourage business of this type to our shores. Important as encouraging in business is, the investment we make in growing our own talent to service that business so that we can become the centre for excellence is critical. As the Chief Minister said in his intervention and I am sure will be repeated by the Minister for Commerce, Gibraltar is currently operating in a highly competitive environment in which we have branded ourselves as market leaders having first mover advantage. Many sophisticated jurisdictions have moved into that space very quickly indeed. We take the view that we need to harness the opportunity of ensuring that when operators in Gibraltar are pursued we ensure that our people are the first for employment.

One of the concerns that is consistently raised with us in the context of the gaming industry is the lack of a skilled workforce, with many of our gaming employees crossing over the land

border each day because we simply do not have the people to service that industry. We are conscious that if we are marketing ourselves as leaders in the space we should also create the training opportunities for our own people to occupy the employment opportunities which arise from that development. The Chief Minister talked in his intervention about recruiting from abroad to fill those opportunities instead of training our own people. What a mistake, Mr Speaker, to compound the lost generation of young people whom we can train to do those jobs.

Mr Speaker, the number-one complaint area in my political clinics – and certainly other Members on this side of the House, in their clinics – is housing. The housing needs of our community are significant and the demands on the system are complex. Gibraltar has changed beyond all recognition and our people's expectations have changed. We want an highly aspirational community but our Government needs to be fair and responsible. The Government ruling out our commitment to means testing is completely unacceptable and demonstrates that they have no intention of changing the way we house the members of our community who need support. The affordable housing model, or co-ownership model, must change and we tentatively welcome the small changes announced by the Hon. the Minister for Housing last week and today those that have been mentioned by the Chief Minister in respect of housing, which we will all now reflect on.

The demand for affordable housing is massive, with over two and a half thousand people seeking affordable homes. That is a staggering statistic by any measure. Perhaps they will all move into the luxurious Victoria Keys. Affordable housing must be truly affordable and, importantly, accessible. It must do what it says on the tin and it must not be abused – as has been mentioned, I believe, by the Chief Minister and the Housing Minister a number of times – abused for profit. We are hearing significant complaints about the affordability of homes and I look forward to the Housing Minister in her intervention directly alleviating the concerns of many in our community who will struggle to pay the deposits, down payments and secure finance. I do note, however, that the Chief Minister talked about bridging loan finance and we hope that the Minister for Housing will meet those concerns of our community. We hope that she will provide that reassurance by way of her contribution.

Mr Speaker, we believe that everyone who cannot afford to buy on the open market should be given the opportunity to buy into the affordable housing scheme. We cannot forget that affordable housing is subsidised housing, subsidised by the taxpayer. The policy by successful governments is to encourage home ownership and it serves an important social need, but as we develop into a bustling metropolis we need to rethink affordable housing whilst never forgetting the purpose of this type of housing provision. I do know that the Chief Minister has made a very significant announcement today in relation to the selling off of another crown jewel, another asset. He is not happy –

A Member: What did he say? [Inaudible]

Hon. E J Phillips: – with mortgaging our housing estates; now he is selling off the 50% Government equity in affordable housing schemes. We are not too sure of the exact structure, or the mysterious structure, but I am sure Mr Clinton, who has now obtained copies of the structure involved, will delve into that and add his comment. But what I would say is the Government seems to be selling off the precious assets of our community.

We fully support getting as many people as possible into co-ownership, in time, and alleviate the burden on the social housing list and housing stock in order to direct social housing to the most needy in our community.

I have said it before and I will say it again, that our social housing system is broken and it has been broken for a long time. It is time to face facts. Those most in need in our society experience too much red tape and excuse after excuse, delay after delay. Last year, the Housing Minister stated that she would build homes for rental. Their plan is to effectively build homes for the

640 elderly in order that those homes which are vacated are provided to those on the list. Whilst I understand that this may be a good idea, it seriously misses the mark and underestimates the scale of the housing crisis. The rationale also sits completely at odds with their previous commitments.

645 In their 2011 Time for Change manifesto they promised everyone on the housing lists a home. They failed in this commitment and in 2015, in the recast of their promises, they said that they recognised they had not been able to house those on the 1RKB list. Of the 1RKB list they said the following:

On that list there is a large number of young people who wish to buy in the next round of affordable housing to be made available. In addition there is a number of pensioners who will be able to move into the new homes for the elderly being developed or as such homes become vacant. These types of applicants prefer to stay on the list and wait for the new homes that are about to come on stream. We will continue to build such homes and a half-way house, for men, that is already at an advanced planning stage. This will greatly reduce the number of applicants on this list.

Mr Speaker, how does the hon. Lady opposite seriously reconcile what she said a few weeks ago and in her Statement of 11th April 2019 with her manifesto commitments? How can anyone
650 take the hon. Lady opposite seriously? Under her leadership she has overseen the biggest crisis in housing – and particularly social housing – in decades. All I hear is negative comments about the lack of empathy afforded to real people with real housing issues. People are amazed when I tell them that when we reach out to the Housing Minister to help our constituents we get very little in terms of substantive response.

655 Statistically there is huge demand on 1RKBs and there is very little or no plan from the Government on how they seek to address the problem. When people wait for a 1RKB for eight years, allocation of a 1RKB generally is completely incompatible with their needs as they have entered into relationships and/or their circumstances have changed. The current housing crisis means that at any one point thousands of people are looking for homes. It is also true that many
660 homes lie vacant or void, according to the Principal Auditor's Report laid in Parliament two weeks ago. According to the Principal Auditor, as of 14th August 2017 there were 192 vacant/void properties and the average time a property remains void before it is allocated is nearly six years. The Chief Minister talks about delivering homes safely and on time. This is nonsense. Look at the statistics and hear the complaints of people on the ground. This again is a
665 staggering statistic and illustrates the crisis in housing. No doubt in her contribution to the debate the Housing Minister will reflect on this appalling statistic, which I am sure is not one she is proud of. In her Budget address I also hope she updates this House on the number of vacant/void properties and the average time that the property has remained unallocated, so that everyone in this community understands. Come the election, Mr Speaker, we will lay out
670 our exciting radical plans to shake up the provision of social homes and the delivery of homes to those most in need. No more red tape and no more waiting for years for an allocation for the most vulnerable in our community.

Mr Speaker, in relation to Government rental arrears we seem to have hit a brick wall with recovery. In 2011 arrears stood at just over £3.7 million, whilst in 2016 arrears peaked at
675 £5.6 million, an increase of just under £2 million during their tenure. It appears to have levelled off and stagnated over the last 12 months, oscillating around the £4.6 million to £4.7 million mark with no real visibility from the Government on how they intend to recover very significant moneys owed in rent. Whatever the Government say about our time in office, the reality of housing arrears is that recovery under their administration has been appalling.

680 I have said that our housing need is complex in that there are single mums and dads, those with serious physical and mental health issues, growing families, single people, young people, our senior citizens and those returning families from abroad. We cannot continue to make people wait between five and eight years to find a home.

We have all said that our housing estates are the heart and soul of our community and eight years on the Government continue to have scaffolding and ongoing works. The Chief Minister tries to placate people by saying that people understand the inconvenience to them in respect of scaffolding and ongoing works, but it has been eight years of misery for people living in housing estates with dust, noise and constant works. The public will not be fooled by their excuses, particularly when they turn around and blame the GSD for what they did in their time in office: it has been eight years, Mr Speaker.

The GSLP-Liberal Government are, we have said, penny wise, pound foolish. They have had eight years of spending without really considering how a downturn in recurrent revenue will truly affect our community. He calls us inconsistent in what we say about public finances, but what we ultimately say about public finances ... This is about prioritising services, Mr Speaker. Our community's finances are – from the very limited information we have and what we have gleaned from public statements – on a cliff edge. Just read between the lines of Sir Joe's latest comments. If you include all the off balance sheet borrowing, our economy appears to be on life support. The Government is parking most, if not all, of the debt off balance sheet and intentionally hiding the true level of debt from the people.

Mr Speaker, we will not vote in favour of this Budget because it fails to present a clear, accurate and unambiguous reflection of the state of our public finances. We consider it a gross dereliction of our duty as the people's representatives of this community to support a Budget which is fundamentally opaque and flawed and does not allow those of us in the House to properly and effectively scrutinise the public finances of this community.

It is clear that the Government no longer has a handle on the day-to-day issues that affect hardworking families. This is not a Budget for working people and families. Domestic issues have been ignored, with Brexit being cited as the excuse for everything. The Government are failing to manage the two pillars of our economy, namely our people and our land. The Government are failing to address the serious concerns of working families, the vulnerable and, importantly, young people. Last year, the Chief Minister promised a Budget designed with prudence in mind to support young working families, young people, the elderly and the disabled. He has failed to achieve that objective. This year, his promises will no doubt fall on deaf ears, once again demonstrating that the Government is losing grip on the domestic agenda.

In the Opposition contributions to the debate on the Appropriation Bill each of us will deal with our respective shadow responsibilities. In particular, our Shadow Public Finance Minister, the Hon. Roy Clinton, will address and present in granular detail the numbers, whilst the Hon. Daniel Feetham, as I have said, will chart the historic context. To all those who will tune in across our community to listen and watch this debate from home or work, I am sorry to have to say to each one of you that your elected Opposition has been intentionally blindfolded and prevented from uncovering the mass of hidden debt which will hang round the necks of our children and grandchildren for generations to come, and now even more so with the announcement by the Chief Minister that he has now sold or mortgaged – we have yet to find out – Government's equity in the affordable housing estates. If you take away anything from this debate, just look at the new schools at a cost of £100 million, and it is not even in the Book.

On 26th November 2015, some three and half years ago, we made a promise to those who entrusted their vote to us that we would speak for those in our community who felt distant from politics and politicians. I have promised that, where I can, I will help; if I cannot, I will say, 'but I am here to listen'.

To end my contribution, voting against the Budget is not a decision to be taken lightly, but it stands as an important message to the public, for whose money we are responsible for, that we as your elected representatives form the view, based on the information that we have, that the underpinning of our public services is being threatened by bad management of our public finances and we on this side of the House, will not support it.

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

Mr Speaker: The Hon. Dr Joseph Garcia.

Deputy Chief Minister (Hon. Dr J J Garcia): Thank you, Mr Speaker.

My friend and colleague the Chief Minister will be answering, obviously, the more colourful
740 elements of the address that the hon. Member has just delivered.

In February 1999 I was elected to this House for the first time. It was then still the Gibraltar
House of Assembly. This means I have served as a Member for exactly 20 years this past
February. Today is therefore my 21st Budget address overall and my eighth as a Member of the
Government. I propose to cover the areas over which I have ministerial responsibility and also to
745 comment on others of particular interest.

Mr Speaker, my time over the last financial year has been dominated by Brexit. That is true of
the Government in general, in particular the Chief Minister, the Attorney General and the
Financial Secretary, who have formed the core of the Brexit team. I started with one Brexit file
on my desk and have ended up with some 60 and still counting. The House knows that the
750 volume of work generated by the United Kingdom and Gibraltar's proposed departure from the
EU has been, and continues to be, voluminous. I use the words 'proposed departure'
deliberately, given the uncertainty that continues to surround this very issue.

Opinions in the UK have sharpened and hardened. We should not forget that Europe has
always been a divisive question in the United Kingdom. This division is nothing new. The
755 argument about the UK's relationship with Europe has destroyed Prime Ministers. It brought
down Margaret Thatcher. It haunted John Major. It brought about David Cameron's resignation.
Theresa May went too. The question of Europe has ruined political careers in the UK, so I think it
is relevant to dwell on this background for a few minutes.

It is obvious that the UK's exit from Europe is proving to be as controversial now as its entry
760 proved to be at the time, because Europe has dominated and divided UK politics since 1972.
Indeed, already by 1975 the first UK-wide referendum was held on continued membership of
the European Economic Community. This was only three years after going in. The Heath
government was replaced by a Labour administration in 1974. Upon taking power Harold Wilson
made two clear promises. The first was to renegotiate the UK's terms of membership of the
765 European Economic Community, and secondly to put those terms to the people in a
referendum. All this sounds very familiar: it was a process that David Cameron was to repeat in
2016. The result of the 1975 referendum was a landslide. On a 64.5% turnout, more than two-
thirds of voters opted to stay in. In the 2016 referendum, as hon. Members know, the outcome
was sadly a very different one. That is why we find ourselves where we are today. Nonetheless,
770 it is important to reflect on the point that 1975 and 2016 impacted very differently on Gibraltar:
first because Gibraltar did not vote in 1975, and second because Spain was not even in the EEC
in 1975. Through the ups and downs and the twists and turns of the Brexit saga, there are some
factors that we often overlook. The fact that the Government secured Gibraltar's participation in
the 2016 referendum at the very outset was an achievement in itself. We were quite literally
775 able to put Gibraltar on the map. And Gibraltar made an impact: we were the first area to
report – the outcome here left no room for doubt.

The House knows that there have been plenty of challenges along the way. Opposition
Members of the Brexit Select Committee have been informed in detail in over 20 briefings as the
negotiations have progressed. The first challenge was called Jose Manuel Garcia Margallo. He
780 served as Foreign Minister of Spain between December 2011 and until November 2016. Mr
Margallo laid the markers early on. First, he said, all options were open to Spain when we left
the European Union, including closing the border completely. Second, he added, if Gibraltar
wanted a relationship with the European Union, then shared sovereignty would be a pre-
condition.

785 The EU, at that stage, refused to open negotiations with the United Kingdom until they
received a formal notification to leave: the Article 50 letter. This was delivered on 29th March

2017. The clock then started ticking. The challenges then mounted. The negotiating guidelines of the European Council were published on 29th April 2017. Clause 24 read:

After the United Kingdom leaves the 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.

This set the scene for Spain's infamous second veto. That is to say all the member states had a veto on the outcome of the UK-EU exit negotiations. Spain had a second veto on how or whether that deal or that outcome would apply to Gibraltar. That is the background against which the exit negotiations took place. Again, it is easy to forget.

Both the UK and Gibraltar rejected clause 24. Indeed, the United Kingdom repeatedly made it clear that it was negotiating for the whole UK family, including Gibraltar. The then Secretary of State for Exiting the European Union, David Davis, went as far as to personally assure my hon. Friend the Chief Minister that there would be no deal without Gibraltar. Even then it was possible to argue that the wording of clause 24 set the position after the United Kingdom left the Union and that therefore it really set the scene for the future only. However, on 15th December 2017, following a meeting of the European Council, Spanish Prime Minister Rajoy declared that Spain's agreement was necessary for withdrawal and transitional arrangements to apply to Gibraltar as well.

So, the challenges continued to mount. It was not only the future that was an issue but our orderly exit as well. A situation where Gibraltar exited the EU abruptly on 31st March 2019, as was then envisaged, while the UK stood to benefit from the cushion provided by a transition was clearly not where we wanted to be. The United Kingdom and Gibraltar engaged separately with all the member states of the European Union in order to put forward our point of view. We engaged with Spain also, a Spain where the Partido Popular was still the government but where Mr Dastis had replaced Mr Margallo at the Spanish Foreign Ministry. A new condition was added in public at around this time in respect of Gibraltar Airport: an Airport deal or no deal at all. A number of direct discussions between the Spanish government and the Gibraltar Government took place. There were also meetings which included the United Kingdom and further meetings with the European Union as well.

The political background then changed further in June 2018 when the PSOE came to power on the back of a motion of no confidence. The context was joint sovereignty, possible Frontier closure, exclusion from the Withdrawal Agreement, exclusion from the transition and Airport, or nothing. And we turned it around. It was not easy. I want to pay tribute to my hon. Friend and colleague the Chief Minister, who led those discussions ably, wisely and intelligently from the front, and whose contacts within the Spanish political system proved to be vital as those discussions progressed. I take my hat off also to the core of the Brexit team, in particular the Attorney General and the Financial Secretary. Thank you also to the many officials across the Government involved in this detailed work. History will show the measure of the challenge that we faced: the constant volume of work that we had to churn around; the skill with which we had to negotiate past the many obstacles which were thrust in our path; the delicate balancing act that we had to perform in order to preserve the best interests of our country. History will show, Mr Speaker. And we owe a debt of gratitude to our wives and our families also for their support. The intensity of the Brexit process has indeed taken control over our lives. We have missed key moments in the schooling of our children. The Chief Minister said recently it was hell. I agree, it has been brutal at every level and there is more to come.

More than 500 meetings on Brexit have taken their toll. Importantly, though, those meetings produced results. The inclusion of Gibraltar in the Withdrawal Treaty and therefore in its transitional provisions was a considerable achievement. I think that the House agrees that the worst-case scenario would have been for the UK to have enjoyed the benefit of a transition while Gibraltar was left out. In the event, it is far from clear whether the Withdrawal Agreement will come into effect. If it does, Gibraltar will be a part of it

835 Mr Speaker, almost since the referendum, two parallel workstreams have ensued. One of those has centred on planning for a no-deal Brexit. The other has focused on the work to deliver the Withdrawal Agreement. I want to pay tribute once again to the many public servants who have been involved in this exercise. Most of the Members opposite have been briefed on the details of the contingency planning for a no-deal Brexit. This planning has also involved the private sector. I do not propose to go into this in any detail in public, for obvious reasons.

840 The course of events now remains to be seen. Theresa May has resigned. The Conservative Party is involved in a leadership race. The pendulum continues to swing back and forth between deal and no deal; it has done so for months. There are, at one end of the spectrum, those who doubt whether we will leave the European Union at all, and then at the other end leaving without a deal becomes closer with a possible new Brexiteer Prime Minister.

845 The view of the Government is that it is in the best interests of Gibraltar to remain in the European Union together with the United Kingdom. The preferred option would be for the UK to revoke Article 50 and stay in; failing that, to hold a referendum. This is our clear and unequivocal message. It was a message delivered by the electorate of Gibraltar in June 2016 with a massive 96% support. It was echoed by our voters once more during the European elections last month. The outcome in Gibraltar, with 77% Liberal Democrat and 5% Green, already adds up to 82% for clearly remain options. The Government will continue to prepare, whatever the way forward might be.

855 Mr Speaker, I move on now to Gibraltar House in London. Before I run through the political and other activities of that office, can I pause to pay tribute to someone who worked there until recently. Some Members will recall Mr Ian Leyde. Sadly, after two decades employed at the London office, on the tourism front in particular, he passed away suddenly and without warning while working. He was a highly professional marketing man for Gibraltar Tourism and a veteran of Gibraltar roadshows and exhibitions. In particular, he was an enthusiastic ambassador for Gibraltar at the many UK political conferences where he helped to man the Gibraltar stand; this is how I knew him. May he rest in peace. Our condolences go to his family, friends and colleagues. (*Banging on desks*)

865 Mr Speaker, the Brexit saga has meant that the office in London has continued to be a hub of activity. This is where the Chief Minister, the Attorney General, the Financial Secretary and I, together with other officials, are based during our time in London. Gibraltar House has been involved in work dealing with Whitehall departments across the board. Since the 2016 referendum the office has almost evolved into a natural extension of No. 6. Gibraltar House facilitates support for the numerous meetings that have taken place at ministerial and official level. Our engagement with the UK over the past three years has shown that to build relationships and trust it is important to have regular personal contact between those involved. This has been critical in the sensitive discussions that have taken place. Working groups from both Governments have met at Whitehall and in Gibraltar House in order to consider plans for a no-deal Brexit. Our own Government Departments and authorities have enjoyed fluid access to our facilities in London. There has also been close preliminary work on the future UK-EU relationship. We must be ready just in case such a relationship were ever to materialise.

875 Of course, Gibraltar House in London serves as much more than a mere physical platform for the Government's work. Our representative, Dominique Searle, and his team are very active in lobbying the Westminster Parliament. They collect and collate information relevant to the Government's efforts in order to protect and promote Gibraltar's interests across the board. The All Party Gibraltar Group in Parliament continues to go from strength to strength under the presidency of Lindsay Hoyle MP and the chairmanship of Bob Neill MP. The Group has consistently put its support for Gibraltar above the argument between remainers and leavers. This has allowed Gibraltar to harness support both sides of the divide, across the political parties in the House of Commons and the House of Lords. Our United Kingdom representative has fully briefed the All Party Group on Gibraltar and also the All Party Group on the Overseas Territories. Indeed, the Chief Minister and I have had the opportunity on several occasions to address

special meetings of the Gibraltar group. There continues to be a considerable amount of interest, sympathy and support for Gibraltar in Westminster. We have, throughout, held numerous individual meetings with key MPs and peers who are influential in the Brexit debate, Members from both sides of the argument. The aim has been to ensure that the nuances of Gibraltar's concerns are not lost in the wider discussion affecting the United Kingdom itself. Many of those meetings have been reported in the media. I should add that another important aspect to the work at Gibraltar House is to monitor the UK Parliament. That work has resulted in us engaging widely and formally with parliamentary committees and with committee chairs. This contact has included the EU committees in both Houses, the Foreign Affairs Committee, the Scrutiny Committee and others of relevance to Gibraltar. Therefore, the House can rest assured that MPs and peers are regularly briefed about Gibraltar.

In addition to National Day, the London office organised a very useful visit by senior-level MPs and peers last spring. In May 2018, for example, a select group of five MPs visited Gibraltar in order to learn more about the status of the Brexit negotiations. That group included Liz McInnes MP, Labour Shadow Foreign Affairs Minister; and the Rt Hon. Tom Brake MP, Liberal Democrat Spokesperson for Exiting the European Union. The programme included a briefing from me on Brexit as well as from my friend and colleague the Minister for the Environment, Prof. John Cortes. Members will recall that the group also met with the Brexit Select Committee in the Gibraltar Parliament and with representatives of the Chamber of Commerce.

Gibraltar hosted 26 MPs and peers from the UK Parliament on National Day 2018. In addition to this, there were four members from the European Parliament present. It was also a pleasure to welcome Arlene Foster MLA, the Leader of the DUP in Northern Ireland and former First Minister. Her presence and the strong support from the DUP sent a powerful message. Their programme included briefings from the Chief Minister and myself, a visit to the Frontier, a briefing on finance and gaming from my colleague the Minister for Commerce, Albert Isola, and a call on His Excellency the Governor. Members were also able to attend the annual National Day rally and associated events. Mr Speaker, we always say that there is no better way to understand Gibraltar than to visit Gibraltar.

The annual Gibraltar Day reception was again hosted at the Gherkin on Monday, 22nd October. The event was attended by 11 Ambassadors and High Commissioners along with 10 Deputy Ambassadors. There was further diplomatic representation of lower rank. There were 26 Members of the House of Commons and House of Lords present. Over 100 members of the Gibraltar community in the UK were hosted for a Thanksgiving mass and reception in Fulham on the preceding day. Three hundred members of the financial services industry attended a lunch in the City of London. We continue to keep these events and their focus constantly under review. However, I am sure hon. Members will appreciate the importance of keeping all UK political parties informed and on side. Gibraltar's interests transcend the Brexit debate, as does the importance of maintaining our close relationship with the United Kingdom. It has been a priority that our position is understood more widely by countries with which we may trade in the future, by members of the Commonwealth and indeed by existing member states of the European Union too. They heard that message clearly and categorically in London during Gibraltar Day.

Mr Speaker, our representative in the United Kingdom is included with other Overseas Territories' representatives as part of Her Majesty's Government's Diplomatic List. This means he has attended a number of Royal Household functions and embassy events, representing Gibraltar. The Overseas Territories are now collectively pressing for direct representation at the Remembrance Day ceremony in London. I would add that each year Gibraltar is formally represented at the Commonwealth Day Mass in the presence of Her Majesty the Queen. This year, two young Gibraltarians who won an essay competition were also present. It continues to be an important policy to keep our friends fully informed, including former Governors, as they have proven to be, time and again, true allies of Gibraltar and its people.

The Friends of Gibraltar too remains a bastion of support from the United Kingdom. They continue to make good use of the facilities at Gibraltar House. This year the office helped to

organise several of their talks. In this context may I pay tribute to the late Tim Lawson Cruttenden, one of the most active of the Friends, who sadly passed away here in Gibraltar just a few weeks ago. His family continue to have ties with the Rock and our condolences go out to them.

Mr Speaker, I would like to expand further on our relations with the Commonwealth. Members will recall that High Commissioners of Australia and Canada visited Gibraltar this last year. The Government continues its engagement with the different organisations and countries of the Commonwealth. These Commonwealth themes came together very well in a seminar organised by the Government and the Royal Commonwealth Society in March. The event was entitled 'Changing times: Brexit, the Commonwealth and opportunities for Gibraltar'. It brought together a distinguished panel from outside Gibraltar. These were Lord Marland, the Chairman of the Commonwealth Enterprise and Investment Council; Mr Abkar Khan, the Secretary General of the Commonwealth Parliamentary Association; and the Hon. Alexander Downer, who was Foreign Minister of Australia from 1996 until 2007 and who retired as High Commissioner to the United Kingdom only last year. This seminar served as a catalyst for further interaction with the Commonwealth. My colleague the Minister for Economic Development, the Hon. Sir Joe Bossano, has since had a preliminary discussion in London with Lord Marland on business opportunities and I am pleased to announce that the Executive Committee of the Commonwealth Parliamentary Association at its last meeting in Ottawa has confirmed Gibraltar as the venue for 2021.

The Commonwealth remains an organisation that we value and with which we want to build closer ties. As a result of Brexit, those ties are now more important than ever. On that basis, we have decided that this year the educational visit of Gibraltar students to Brussels will switch to London instead. There will be interaction with United Kingdom institutions, Parliament and with Commonwealth organisations as well.

Gibraltar continues to be a member of the Commonwealth Enterprise and Investment Council. We participate in events organised by the Commonwealth Parliamentary Association, the Commonwealth Telecommunications Union and the Commonwealth Local Government Association. Gibraltar also participates in the Commonwealth Games. We have built up a relationship with the Commonwealth Secretariat and with allied institutions.

Mr Speaker, the London office once again organised Gibraltar's participation at the different UK political party conferences. The participation of Gibraltar covered all the main parties. Last year, we were present at the Conservative, Labour, Liberal Democrat, Scottish National Party and Democratic Unionist conferences. The Gibraltar receptions at those conferences were all a great success. The support was truly overwhelming. The Prime Minister herself shared a platform with the Chief Minister at the Gibraltar reception during the Conservative Party conference, the Shadow Foreign Secretary, Emily Thornberry, spoke at the Labour Party conference and the Leader of the Liberal Democrats, Sir Vince Cable, shared the stage with me at the Liberal Democrat conference. The high-ranking speakers at these events is a reflection of the considerable effort that our team in London have put into keeping Gibraltar visible where it matters. It remains a priority to ensure that the various parties, their politicians, members and policymakers all understand our issues properly.

I should mention that our UK representative and his deputy meet regularly, often at Gibraltar House, with the other UK Overseas Territories. This happens often, under the umbrella of the UK Overseas Territories Association (UKOTA). In this forum the UK Overseas Territories, including Gibraltar, discuss issues in common and interact with the Foreign and Commonwealth Office on a monthly basis.

Mr Speaker, the bulk of the work of our London office is centred on Westminster. Brexit has devoured our and their time and energy. However, Gibraltar House in London also monitors the foreign and security policies of Spain and the United Kingdom, including their bilateral relationship. We do this to try and assess how these may affect Gibraltar's political and economic security in the future. This is particularly relevant as the UK tries to reconfigure its

overall global posture. I do not need to remind the House that defence and security issues are a UK responsibility. Nonetheless, the Government of Gibraltar does have a view on these matters.

Mr Speaker, it is widely expected that there will be a reshaping of existing alliances and a building of new ones as the UK leaves the European Union. We want to ensure that, whilst we
995 always remain supportive of the UK's strategic objectives, we never become a tradeable commodity in a wider game. Our aim is to protect our sovereignty and our interests. An overview of the situation will help in understanding the complexities we face beyond Brexit and beyond the political crisis in the United Kingdom.

Britain has relied on NATO and the EU, as the two key Euro-Atlantic alliances, to protect itself
1000 and its global interests. Gibraltar has benefitted from both the UK's membership and leadership in NATO and in the European Union, but the Euro-Atlantic alliances are under stress as European powers try to find a balance within themselves, and between themselves, and their place in the new world order. It is not yet clear how states will align with each other within the EU to fill the void being left by the United Kingdom. We know that Spain is keen to be at the top table and will
1005 strive to bend European policy towards its interests. Indeed, we have experienced this already. This was probably a mere taster of what to expect when we leave. When it comes to NATO, we find that it is routinely under the spotlight, especially because of political developments in the United States. There is regular criticism of Europe's commitment to its own security. In contrast, the United Kingdom continues to perform its NATO duties and Gibraltar too plays a role. The
1010 most obvious visible sign of this role are the regular visitors to our port.

The one positive aspect is that the Euro-Atlantic space remains rules based, with the overarching structures of the EU and NATO still in place. However, beyond our immediate geopolitical space the world order is changing. The UK has an eye on these changes, particularly in the Indo-Pacific region. Importantly, the Royal Navy has conducted freedom of navigation
1015 patrols in the South China Sea. From Gibraltar's point of view, the Royal Navy's activities here demonstrate that the UK is meticulously keeping within the terms of UNCLOS. It is important that the UK acts with the same resolve and determination in British Gibraltar Territorial Waters, where there are similar UNCLOS issues. In a sense, Brexit is a rehashing of the centuries-old British policy debate about the balance that Britain should strike between its European interests
1020 and its interests in the wider world. The indications are that it could take a long time to find this balance. It will logically involve, at some point, a modus vivendi with Europe.

Mr Speaker, some may be wondering what this global tour has to do with Gibraltar. It seems obvious that political and financial realities will shape the policy choices that the United Kingdom makes going forward. The UK will have to make compromises and trade-offs. Gibraltar
1025 must ensure it retains a high profile among those who matter as the UK makes those policy choices.

Spain sees Brexit as an opportunity to enhance its standing in Europe. Their national security strategy is firmly directed towards this part of the World. We see regularly how it attempts to exert control over the Straits and over British Gibraltar Territorial Waters as part of its national
1030 maritime security strategy, now using larger and more capable vessels. Furthermore, Spain is striving to expand and strengthen the EU's security remit, particularly in the Straits and in West Africa. In addition to EU activities, Spain remains committed to NATO. Our own bottom line is as it always has been. It is right and proper that allies should co-operate on security matters, particularly on major global issues. Moreover, it is good that the UK and Spain enjoy a positive
1035 and fruitful relationship. However, that positive and fruitful relationship should be reflected in the way in which Spain operates in this area and in the way they behave towards Gibraltar generally. We will continue to encourage our friends in the UK to be strong in our neighbourhood and strong in other theatres. We will do our bit to ensure that this is so. Gibraltar has, after all, been a military base for over 300 years. We know who our friends are.

Mr Speaker, it is too early to tell what the effect of the local, regional and national elections
1040 in Spain will be. One thing is certain: it could have been worse, given the changing political landscape. Gibraltar continues to invest considerable time and effort in putting across our point

of view to those parts of the political classes in Spain who are willing to listen. The hon. Members opposite have been briefed on the extent of those contacts privately. The Government will continue to develop this further in the best interests of Gibraltar as we move forward.

I thank our Head and Deputy Head of Mission in London and all the staff at Gibraltar House. Gibraltar House in London can be found at head 12, subhead 2(2)(a) in the Estimates.

I now turn to report on the work carried out by our office in Brussels. On 9th July 2014, the Government announced that it would be laying the foundations for an expansion of Gibraltar's representation to the European Union in Brussels. Suitable premises were acquired within walking distance of the three main institutions of the EU. Staffing arrangements were made. Our representation at 17 Square Ambiorix was officially inaugurated by the Chief Minister on 27th May 2015. I know that this was a source of pride for him, and also for me personally. We had set ourselves the challenge of promoting Gibraltar in Brussels long before we were first elected. A little over four years have elapsed since the office opened for business. At the same time, a Parliament and Commission was elected and appointed following on from the European elections of 2014. It was an exciting time to kick-start our expanded operation in the heart of the European Union. Now, as the sun sets on this EU legislature and as a new legislative term starts, it is a good moment to reflect on what has been achieved by Gibraltar House in Brussels over those four years.

Mr Speaker, it is fair to say that the European panorama looked rather different in May 2015. So too did we look different. Looking back at the photographs of the Chief Minister and I at the inauguration event, it is also evident that I had a little more black hair back then than I do now! Clearly a lot must have happened in the intervening period. When we proudly set up our new representation, the possibility of a UK and Gibraltar exit was a mere spectre on the horizon – a distant, unlikely event. In a little over a year from its inauguration the office would be thrown in at the deep end, a baptism of fire. A young operation programmed to achieve more inside the EU was instead called upon to assist the Government in its preparations to leave the EU. I am proud to say that the office has resolutely defended Gibraltar's interests in Brussels with professionalism, with vigour and with competence. They have done so despite the challenges, despite the obstacles and despite having to compete with the vast diplomatic corps and resources of one particular member state. Our work in Brussels will have to continue, even if it is from a position outside the EU. Indeed, Bermuda have recently opened an office there as well.

I said last year that our activity in Brussels had not escaped the attention of Madrid. Only a couple of weeks ago in statements made to *El Mundo*, Partido Popular MEP Esteban Gonzalez Pons said the following:

Gibraltar, with an official population of less than 35,000 people, with a small office operating from a normal Brussels address, has a lobbying apparatus that I would love to have here for Valencia or any other Spanish region.

(Banging on desks) So, Mr Speaker, we must be doing something right.

Over the last year, I have visited Brussels two times. Both visits took place in October 2018 as we worked on the final package of measures agreed with the EU as part of the Gibraltar Protocol in the draft Withdrawal Agreement. At the invitation of the Greens/EFA Group of the European Parliament, I also visited Strasbourg in October to address its members who were specifically working on Brexit. As usual, the Attorney General has made several other visits to Brussels throughout the year.

Mr Speaker, the work of the European Parliament is fundamental in shaping EU policy, not just in relation to Brexit but in relation to EU affairs in general. Our permanent assets in Brussels continue to lobby its Members. They have secured for Gibraltar a level of access that we have never enjoyed previously. Their records indicate that a total number of 74 MEPs were formally seen in the 2018 calendar year. Engagement with the European Parliament does not end with MEPs. Day-to-day contact proceeds with advisers, co-ordinators, researchers and with staff.

1090 Numbers are similarly high for the current year, not least because the office was pivotal in its
front-footed defence of Gibraltar's position on being labelled a colony of the British Crown by
the European Council at the request of the Spanish government. This is one episode which I
would like to highlight in order to demonstrate the importance of our presence in Brussels. Our
1095 representation during this time was heavily involved in influencing MEPs and educating
policymakers on Gibraltar's status in international law. The office was also able to gather vital
intelligence, keeping the Government apprised with developments on a daily basis. The vote in
the European Parliament plenary was, eventually, to adopt the relevant measure with the
offensive Gibraltar language. This happened under pressure of a possible Brexit on 12th April.
Even then, the European Parliament had to take the unprecedented step of unjustifiably ousting
1100 its appointed rapporteur, Labour MEP Claude Moraes. They also proceeded against the wishes
of 230 MEPs who had voted to reopen the language specifically because of the Gibraltar text –
230 MEPs from different countries and from different political groups. I want to pay tribute here
to Claude Moraes and welcome his re-election to the European Parliament last month. He stood
up for the Parliament against the Council. He resisted and exposed the unfair bullying tactics of
1105 Spain until virtually the last minute. Even MEPs under pressure from a looming Brexit deadline
who finally ended up on the other side of the argument were appalled at the behaviour of their
Spanish counterparts. Therefore, the vote I have referred to was, in some ways, a considerable
achievement. On behalf of the Government, and I am sure of the whole House, I want to thank
Sir Graham Watson, Daniel D'Amato and the team in Gibraltar House, Brussels. (*Banging on*
1110 *desks*)

While it was the drama linked to this particular affair which took all of the headlines, I need
to stress that the work of our office is constant and persistent. Much of it takes place away from
the spotlight because the office have successfully, in the context of other dossiers, managed to
influence language on Gibraltar. The result has been to divert support away from hostile Spanish
1115 amendments.

I would also like to underline that we do more than simply take our arguments to Brussels.
There is no better place to make those arguments than here in Gibraltar. A total number of 17
different MEPs have visited Gibraltar to see for themselves since the referendum. When they
visit, they learn the reality of the situation on the ground. The office has also organised visits to
1120 Gibraltar for the ever influential MEP assistants. Two such visits have taken place in the last
financial year. A total of 12 programmes have been organised so far. This has seen up to 65 MEP
assistants, Commission officials and diplomats visit Gibraltar.

The branches of our informal Friends of Gibraltar Group in Brussels continue to grow at the
same time. Our office actively participates in countless events in Brussels, whether they are
1125 organised by governmental representations, NGOs, consultancies, think tanks or other entities.
One particular example I would like to mention is that of an informal group made up of Brussels-
based UK offices and organisations. The group started meeting this year with a view to sharing
information and perspectives ahead of the UK's departure from the European Union. The group
is made up of government representatives of all the British family of nations. It includes UK
1130 regional and city representations as well as trade associations and representatives of British
industry. The group is conducting essential work in co-ordinating to properly position British
interests in the EU post Brexit. Gibraltar has been an active participant in all the working groups
and discussions so far. This is yet a further example of the versatility of Gibraltar House in
Brussels. They do interact with EU actors but also with those from the United Kingdom as well.

1135 Mr Speaker, not all of the work that the office engages in is political; some of it has a more
commercial angle. In particular, the office has energetically worked to present Gibraltar in
Brussels as a cutting-edge jurisdiction in the cryptocurrency space. Gibraltar, for example,
participated in the Blockchain for Europe Summit organised by APCO Brussels in the European
Parliament. That event saw Paul Astengo from our Finance Centre department on a panel
1140 alongside Pēteris Zilgalvis, the Co-Chair of the European Commission Task Force on FinTech, and
other key influencers. It raised a significant amount of positive interest in Gibraltar.

Mr Speaker, looking ahead and following on from the elections to the European Parliament of 23rd May, a new legislature will take up their seats. New relationships will need to be forged; good relationships already formed will need to be maintained. I want to pause for a moment and thank Labour's Claire Moody and Conservative Ashley Fox for their support of Gibraltar. They were not re-elected. Thank you too to Julie Girling, Julia Reid and William Dartmouth. All three have now left the European Parliament also. I wrote to our six MEPs – five new ones and Molly Scott Cato, the Green MEP who was re-elected – straight after they were elected. We will work with them where this is in the best interests of Gibraltar. Our office has already mapped out the changing landscape of faces. In so doing, they have identified obvious personalities who will create difficulties and also new Members who will bring about new opportunities. A new President of the Commission and a new College of Commissioners is also to be appointed. Come what may, and whilst at this moment in time the Brexit process remains in a state of flux, let me assure the House that we are well equipped in Brussels to continue to fight our corner in Europe.

Again, I want to thank Sir Graham Watson, Daniel D'Amato and the staff of our office in Brussels. Gibraltar House can be found at head 12, subhead 2(2)(b).

Mr Speaker, the Government has continued to promote and advance the interests of Gibraltar in Washington. I was there at the end of May. Here too we are up against the negative actions of Spain. Their motivation can only be to prevent Members of Congress from learning about Gibraltar directly from Gibraltarians themselves. The truth is that there is no better way for them to understand what this is all about. Spain would rather subject them to their own distorted version of reality unchallenged. That is not going to happen. We will continue to challenge every distortion of the truth.

I am pleased to report to the House that, despite these goings-on, 34 Members of Congress, including several subcommittee chairs, have already signed up to a resolution which backs self-determination for Gibraltar. It also honours the role that Gibraltar has played in support of the United States over hundreds of years. The last session saw a record of 54 co-sponsors, some of whom have now left Congress. Members have signed up now on a bipartisan basis with supporters from both the Democratic and the Republican parties. The Government intends to continue with our information campaign in Washington. We will also put across our position twice a year at the United Nations in New York, and once at the annual UN seminar.

Mr Speaker, I move on now to civil aviation. In this area too the Government has been busy preparing for Brexit. The Director of Civil Aviation has amended all of the directly applicable EU regulations in order that these can be promulgated as domestic legislation on the day that the UK and Gibraltar leave the EU.

The EU is in the process of adopting a measure that will allow carriers from the UK to fly across EU territory after the UK leaves the EU in the event of a no-deal Brexit. It is disappointing, but not surprising, that at Spain's insistence Gibraltar has been excluded from the geographic scope of this legislation. However, the proposed legislation does permit UK air carriers to fly across the territory of the EU en route to Gibraltar as normal, in the same way as they would be able to fly across the territory of the EU to any other third country. Similarly, we have been assured that UK aircraft needing to divert to Malaga Airport because they are unable to land at Gibraltar will be able to continue to do so. The principle of the right to overfly and the right to divert are further enshrined in the International Air Services Transit Agreement.

In preparation for the UK and Gibraltar leaving the EU, the UK has negotiated an Air Service Agreement with Morocco. The Agreement will come into effect on the date of the UK's exit from the EU. It has been extended to include all flights to and from Gibraltar Airport. Flights operated between Gibraltar and Morocco would therefore be able to continue as normal in the event of a no-deal Brexit.

Mr Speaker, as part of the preparations for a no-deal Brexit, the Government has ensured that EU security regulations will be retained in Gibraltar law. Therefore, passengers using Gibraltar Airport will not notice any change to existing security arrangements. The current

security arrangements will continue to apply to mail, cargo, live animals or courier mail carried in the hold of an aircraft. The same air passenger rights as apply today will continue to apply after the UK leaves the EU for air passengers on flights between the UK and Gibraltar. This will be so because EU passenger rights legislation will be retained in UK law for passengers travelling on UK airlines.

The drafting of Brexit-related legislation has taken priority across the whole Government. Nonetheless, the Civil Aviation (Investigation of Air Accidents and Incidents) Regulations 2018 have now been published. These update EU regulations on the subject. The UK have recently issued a revised State Safety Programme, which sets out the basis through which aviation safety is managed in the UK, the Crown Dependencies and the Overseas Territories. As a consequence, the Director of Civil Aviation has updated the Gibraltar element of the plan.

Mr Speaker, local interest in the operation of drones continues to rise and there are now a total of five local operators recognised by the Director of Civil Aviation. The disruption suffered by Gatwick Airport shortly before Christmas brought into sharp focus the problems that unauthorised drone flying close to airfields can cause. As a result, the Government has reviewed its procedures for controlling the use of drones. Like the UK, we intend to introduce new drone-related legislation. In addition, the Director is working with the Government IT Department to develop a drone activity reporting system. The system will require authorised drone operators to register their flying activity on a publicly available website prior to take-off. This means that if the public or the emergency services see a drone flying, they will be able to check quickly if the activity is authorised. In this way, swift action can be taken by the emergency services to detain anyone found to be flying without authorisation.

The Airport has exercised different areas of their emergency procedures during the year. As always, each exercise helps identify useful lessons to improve the response effectiveness of the myriad organisations that play a part in the Emergency Orders. In addition, this year saw the UK Air Accident and Investigation Branch, supported by their military counterparts, send out a training team to instruct on the assistance they will require should the need ever come for them to investigate an aviation accident in Gibraltar. The training was well supported and over 50 members of the Airport, military and emergency service staff attended the two-day training course.

I would like to thank the Director of Civil Aviation for his support throughout the year. Civil Aviation can be found at head 13 of the Estimates of Revenue and Expenditure.

Mr Speaker, I hold ministerial responsibility for the Gibraltar Government National Archives. There were 1,295 visitors to the archives over the last financial year. These were people who physically consulted digital or original material in person at the archives. The archives website enjoyed nearly 26,000 hits from 94 countries in that time.

The Archivist, Mr Anthony Pitaluga, has attended a number of training conferences and meetings abroad. In April 2018 he went to digital preservation workshops at Merton College, Oxford University. He was asked to give a presentation to a global audience regarding the ongoing digitisation and digital preservation programme in Gibraltar. In August, the Archivist attended the conference in Glasgow of the Archives and Records Association of the United Kingdom and Ireland. This covered archival science best practices, conservation, digitisation and digital preservation.

A number of very popular film nights have been held by the Archives at the University on the last Wednesday of every month and these have been very well attended.

Last week, it was a pleasure to open an exhibition at the John Mackintosh Hall in order to mark the 50th anniversary of the closure of the border. This was organised by the Archives together with my office. The exhibition contains photographs, press cuttings and footage from that traumatic time. There were also several displays of relevant memorabilia, including the actual Spanish Frontier gates themselves. The border closure was an important stepping stone on our road to greater self-government and in the forging of our distinct identity as a people. Franco predicted that Gibraltar would fall like a ripe fruit. He could not have been more wrong.

That fruit did not ripen; instead, it hardened further still in our determination to resist the Spanish claim on the part of the generation that lived the years of closure and on the part of those who followed them. The exhibition continues to be open until 14th June and I urge those who have not had a chance to visit it to do so.

1250 Mr Speaker, the House will recall that booklets were distributed to our schools which cover key moments in our history. The first, in 2015, followed on from the 75th anniversary of the wartime evacuation of civilians. The second, in 2017, served to commemorate the 50th anniversary of the 1967 referendum. A further book, to mark the closure of the border, is already at an advanced stage of preparation; this will be distributed to all our schools during the
1255 new academic year.

I take the opportunity once again to thank the Archivist, Anthony Pitaluga, and his staff, who carry out their task with pride, passion and professionalism. The Gibraltar National Archives can be found at head 12 of the Estimates book.

Mr Speaker, I would also like to say a brief word about the project to recover and restore the
1260 Northern Defences. The area continues its transformation from a jungle into a jewel. Spanning hundreds of metres, this series of tunnels, paths, bastions, towers and military fortifications is second to none. Having witnessed the site at first hand recently, I am convinced that we have uncovered not only another world-class tourist product but also a much needed outdoor space for our community. The Government will enter its fifth year of clearing-out works to expose the
1265 remaining elements of a unique and formidable defensive network. Particularly interesting has been our latest find, which seems to have exposed a military line of defence which dates back to the early 1600s or even the late 1500s. This wall was curiously referred to as *el Muro de San Joseph* and later as the Hanover Line. The defensive structure appears in plans which go back to 1627 and appears to extend from Hanover Battery all the way up to outside the Tower of
1270 Homage itself. Clearing-out works have revealed its staggered arrangement, length and remarkably good condition. It is relevant to note that already the site has become the source of much international academic interest from institutions and from journalists. It will not only become a world-class heritage attraction but its potential for outdoor activities cannot be ignored and will be maximised. Given the location of the site and access by foot from Casemates
1275 Square, the Northern Defences will become an area to be enjoyed by all. It had been closed off for decades. I want to take the opportunity to thank the Project Director, Carl Viagas, and his team working on the site. The Government is also very grateful to the Royal Engineers, who continue to work there on a regular basis; also to the Heritage Trust, who conduct tours of the area.

1280 Mr Speaker, hon. Members will see that there is provision in the Improvement and Development Fund for the Northern Defences. There is also specific provision to commence restoration works at the Grand Battery.

Whilst on the general subject of lands, I wish to thank the staff of the Lands Office in Convent Place and the directors and staff of Land Property Services Ltd for their support throughout the
1285 year.

Mr Speaker, there will be a General Election at some point this year. The Estimates of Revenue and Expenditure before this House show a record surplus. This reflects the Government's prudent management of the economy, despite the all-consuming challenge posed by Brexit. We are delivering on our commitments with regard to new sporting facilities. The
1290 investment in education, and through this the future of our children, is unprecedented. The construction of new schools and the refurbishment of others is well under way. A new Primary Care Centre will soon be delivered. Hundreds of homes for our people are in the pipeline. We have delivered what we promised, all this regardless of Brexit work that has consumed the time of Ministers and countless officials. Later this year, we will urge the people of Gibraltar to support us once again. We will urge them to put their trust in us, to let us continue to make use
1295 of the political relationships that we have built abroad, to let us navigate Brexit with the

knowledge and the experience that we have already gained, to allow us to continue to defend the best interests of our country.

1300 Mr Speaker, I close by thanking my personal staff at No. 6 Convent Place for their support in what has been an intense and sometimes stressful year.

Thanks also to the Clerk, to the staff of the Parliament and to you too, Mr Speaker.

Thank you. *(Banging on desks)*

Mr Speaker: This is an appropriate time to have a recess until 6.30.

*The House recessed at 6.07 p.m.
and resumed at 6.34 p.m.*

**Appropriation Bill 2019 –
For Second Reading –
Debate continued**

1305 **Mr Speaker:** The Hon. Sir Joe Bossano. *(Banging on desks)*

Hon. Sir J J Bossano: Mr Speaker, can I just thank Members for their warm response to the fact that I am celebrating my 80th birthday with them. Having spent 47 years in this Chamber, as the Chief Minister speculated, I can think of no better place to be at on this date.

1310 Last year, I started my Budget contribution by stating that it was our last Budget as members of the European Union and that at the end of the financial year Gibraltar would no longer be part of the territory of the EU, which would terminate at the international frontier between the Kingdom of Spain and our country. Like everybody else in UK and elsewhere, I was basing my prediction on the fact that the UK's law, introduced by their government, provided a deadline for leaving the EU on 29th March this year. On this basis, I said that until this happened and we
1315 knew on what terms the UK was leaving – whether there was to be a transition period, how long such a period would be, and most important of all whether Gibraltar was to be included in the transition or not – until then, it was not possible to make an estimate of the impact on our economy. However, I have said that if there is a departure from the EU by the UK without a
1320 transition and without a new relationship negotiated, then my prediction was a mild recession in the UK, a bigger recession in the EU and a slowdown in Gibraltar's rate of economic growth but with growth still continuing.

Whilst it should have been a source of reassurance to everyone that we could survive Brexit and still grow, I am astonished that there are people who by their conduct appear to think that we are immune to whatever happens outside our five square miles. It is possible for us to fare better than others but it is not possible to be totally unaffected, whoever is in government.

The position is, if anything, less clear than last year. However, the result of the European Parliament election is considered by many in the EU, including Spain, to have increased the probability of a no-deal Brexit in October.

1330 Last year, in the face of such uncertainties, the executive committee of the GSLP took a policy decision that there should be a limit placed on the pay rise of Ministers and public sector workers so that their pay went up by not more than 60p, twice the increase in the national minimum wage, which was set at 30p. This proposal was accepted by the Cabinet as Government policy. The introduction of the cap does not mean that those on higher incomes –
1335 under 10% of the public sector – are less well off than they were in 2011 in real terms, since previous-year increases were above inflation.

The numbers employed have increased by 948, from 4,574 to 5,522, as shown in the Employment Survey reports of October 2011 and October 2018. However, a more accurate

figure would be about 800, as the numbers in training in 2011 did not feature in the Employment Survey, as Members will remember that in 2011 trainees did not have employment contracts, were not considered to be employees and were on an allowance of around £400 a month. The pay scales of all grades, including those affected by the 60p an hour limit, are still higher than the 2011 pay scales plus intervening inflation, which has been 13.1% from October 2011 to October 2018. This is also the case with the salaries of Government Ministers, who were also subjected to the 60p cap last year.

We have been accused of breaking our manifesto commitment of 2015 in respect of the pay rise for 2018. Well, no one knew, when that manifesto was written, that there would be a referendum in 2016 that would take us out of the EU. Other competing territories, such as Guernsey, have reacted to the Brexit challenge by imposing a 1% limit on all salaries in the public sector. Let me say that when we write the manifesto as to what we plan to do if the party gets elected into government, we do not have a crystal ball that tells us what changes will take place 12 months later. The manifesto is written on the premise of the state of the Gibraltar economy and in the context of the global economy at the time it is written.

In spite of this, we usually manage to deliver our projected rate of economic growth consistently. In spite of these facts, which reflect the biggest levels of employment in the public sector and the highest increases in average earnings in any seven-year period in Gibraltar history since the introduction of parity, we have had some Opposition Members saying that what we want to implement is austerity and call it efficiency. If this is austerity, then I ask myself: where were these critics in the period of 15 years before 2011?

We need to understand that if we find ourselves facing financial difficulties once we are out of the EU, those who are on the highest salaries have to expect to be affected rather than those on the minimum wage. I cannot see how anyone who believes in social justice can expect it to be any other way.

It appears to me, from the statements made by others about the growth of the economy and Government spending, that there is little understanding of how the economy works and of the difference between fiscal variables and economic ones. Or maybe I am wrong – maybe it is not true that those who make such statements do not understand but, on the contrary, they could not care less.

I am not sure whether such views are shared by any of the Members opposite or not. However, I assume there are some who do not understand that the GDP is not the revenue of the Government. The relationship between the GDP and Government revenue is not the same everywhere because it is a function of the structure of the economy which is not the same in every country. Nor is it the same all the time, because the passage of time within any given country changes the economic structure, which has an effect on the GDP relationship with Government recurrent revenue. So I will try to explain what these issues entail in the hope that they will be better understood.

The GDP measures the value of the output of the economy and it is not a measure of the recurrent revenue of the Government. The way we measure the output is by the income method, which takes the income from work, from company profits and from rents on property to arrive at the value of the output. These three are the main elements of the calculation. This measures the size of our economy. The bigger our economy is, as a general rule the higher we expect the Government recurrent revenue to be. However, it does not mean that it is always so and it does not mean that the size of the increase in GDP is the same as the size of the increase in Government revenue. So, statements that we can afford to spend more money in any given year because the GDP has grown are not correct. The following figures for the different years show conclusive evidence of this. In 2007, when the GSD was in government – we are not talking about now – the GDP went down £93 million and the Government revenue by £13.9 million. The years that followed are totally different relationships.

The Appropriation Bill that we bring to the House shows what the Departments estimate they need to spend on the provision of recurrent public service. This is currently affordable, since we

project a surplus at the end of the year based on an estimate of revenue that is sufficient to cover the expenditure. However, the fact that we are able to meet an increase in expenditure in a particular year does not mean we are going to be able to keep on increasing recurrent spending at the same pace in the future, given that we are not able to project the revenue figures into the future. This would have been true, especially this year if had we left the EU in March and could still be true after October if we leave then.

I believe that the nature of the structure of the economy is such that it is not capable of producing increases in revenue indefinitely to meet the kind of increases in expenditure that we have been experiencing over the last few years and that therefore we should be thinking of how we can develop a different economic profile that will provide greater security of income, or we will have to introduce effective measures that will secure greater efficiency to enable us to continue to meet the rising level of expenditure in one area through savings in another. Both are difficult to achieve and it will probably have to be a combination of the two.

Affordability in one year does not imply sustainability in the medium term, and therefore I issued last year what was a health warning which applies equally to this year's Estimates of Revenue and Expenditure – like the health warning on a packet of cigarettes, which many choose to ignore but some take heed of. I do not expect my health warning will be as effective and produce a change of direction, but it is my duty to give the health warning because if I see the danger signs and I say nothing and then things go badly wrong, I will have failed to do my duty. Let me make clear that I am not saying that because the danger signs are there it means that the indications are that the results are inevitable. Predicting the weather is an uncertain science and predicting economic and fiscal results months or years ahead even more inexact. We can say if A happens B will follow, we can say what the probability is that A will happen, but what we cannot say is that it is 100% certain to happen.

If we look at our GDP and our revenue streams, we can say that in the last seven years heads 1/1, 1/2 and 2/1 have produced 85% of the increase in Government revenue. These are Income Tax, Company Tax and Import Duty. The share of each within the 85% of the increase in revenue has been 23%, 50% and 27%. The last one is not growing anymore and unlikely to grow in future. It was £174 million in 2018, £176 million in 2017 and £167 million in 2016, and being the size it is, it is not easily replaceable by a new source of income. The first two, Income Tax and Company Tax yields, are not evenly spread throughout the economy. The biggest contributor in the private sector to both is the gaming sector and within that there are a few large companies that account for a big chunk of it. These are some of the factors that constrain our ability to deliver large Budget surpluses to be able to put money in the rainy day funds. The bigger our annual recurrent expenditure gets, the bigger the rainy day fund has to be in order to provide the required protection.

For these reasons, that are scientific analytical tools, I feel concern and the need to express it. Given the analysis and the reasons that I am providing, why do I say it will not be heeded? Experience has taught me something about human behaviour. As a general rule, people do not take heed of things they do not want to hear. When I was in the union and members would not listen to me when I was advising them that the route they wanted to follow could finish up very badly for them, I would give my members the following example. I would say to them, 'If you feel unwell and you go to the Health Centre and the GP gives you lots of tests and comes back with bad news, what do you do? He tells you that you have a serious condition that is potentially terminal unless you go into surgery, which is never risk free, and you have to decide quickly. You go home, you don't sleep that night, you don't know what to do. So then you say to yourself, "Suppose he's wrong. I want a second opinion. I'll go private and get a better analysis of what's wrong with me." You do that. The result is that the private sector doctor says you are ok and puts your mind at rest. He tells you you have nothing to worry about, it's just indigestion, and gives you some tablets. You are over the moon. You say to yourself, "What a good thing I didn't listen to that guy in the Health Centre." But of course, if he was right, six months later you're dead.' But most people still tend to believe what they like to hear and not especially what they

consider to be unpalatable news. Let me say that the moral of the story is that I had a good success rate when I was doing it in the context of union members, but obviously it is a success rate that is not transferable to the political arena. So why did I issue a warning last year and repeat the same this time? Because the reaction I have had indicates to me that those who disagree with me are not analysing the validity of the arguments but simply reacting because they do not want to hear them. My most fierce critic has more than once said that my speech is like a broken record repeating the same theme.

There are some people who ask how can my analysis be right when we are one of the top four economies in the world on a per capita income basis, that is GDP per capita; why can't we just keep on spending more money if that is the case and we are in the top four? What is the reason why we are in the top four? The explanation is very simple. What do we share with two of the other three, especially with the one that is in the EU? It is the use of frontier workers. Singapore, Luxembourg and Gibraltar all have large numbers of frontier workers compared to their resident worker populations. In the case of Luxembourg the numbers are as follows. It has a population of 591,000 and a workforce of 449,000. This consists of 257,000 resident workers, 57.7%, and 192,000 frontier workers, 42.3%. The value of their output, which is the output of the economy, is US\$62 billion. In the case of Gibraltar we have an estimated population of 34,000 and a workforce of 30,000 with resident workers accounting for 16,340, 55.5%, and frontier workers 13,650, 45.5%. The value of the output is US\$2.7 billion.

One can see the similarity in the proportions of these variables. Why should the fact that we have this similarity put us both in the top of the world in GDP per capita? The explanation is straightforward: it is the way everyone in the world measures GDP per capita and uses that result as a comparator indicative of standards of living. But it is distorted when the ratio of frontier workers to resident workers is very high, as it is the case in the top three that I have mentioned. So, for example, the distortion does not apply to the economies of Jersey, Guernsey and the Isle of Man, our nearest competitors, because their imported workforce do not commute to the islands but become residents, and that is the key. If we added the frontier workers as residents to the calculations in Luxembourg and Gibraltar, the results would be that Luxembourg would fall to seventh place on the list, after Ireland, and Gibraltar would drop to 17th place on the list, after Iceland; still a very respectable ranking but not applicable, as the calculation that I have just done is not the one that is required by the international criteria.

The GDP includes the earnings of all workers, including the public sector employees and the frontier workers, so it is not the case that if the GDP goes up there is money to increase the pay of the public sector; it is the other way round. If the public sector pay goes up, that pushes the GDP up. Well, clearly if people were looking to the GDP to ask for a pay claim the cycle would be infinite because their claim would raise the GDP, they would then put in a claim and the claim provides the GDP. So they need to understand that the mechanism works in the opposite direction to the one they assume.

If we look at the GDP of £2.1 billion, the value is that of the whole workforce, including frontier workers who come into Gibraltar. This product is then divided by the number of residents and that is what has given us the GDP per capita which we quote and the previous Government quoted every year at Budget time. It includes the contribution of frontier workers as if it was available to the residents. It happens in all three, in Singapore, Luxembourg and Gibraltar. If we compare the results of Luxembourg, however, there is an important difference which I think is worth highlighting. The value of the output per person employed, including frontier workers, is 40% higher in Luxembourg than in Gibraltar and this is where we need to be. This is how efficiency creates value and protects living standards, and that should be our target.

Until 1988, Gibraltar Budgets were principally about distributing income. That is, in general terms, the Government identified what services it needed to provide, and since most Government services are not funded by charging users at the point of consumption, the cost would need to be met by taxing the community as a whole. This was particularly true when we had a closed Frontier. In case this is not clear, let me explain that there is no such thing as a free

1495 service. Education is free because, unlike the private sector, the state does not charge the family
of the pupil in school, but to the extent that the cost is met from taxation on income, since all
such taxes are to some extent progressive, the higher incomes pay higher taxes but the children
in the school all receive the same education irrespective of the taxes paid by their families, or
even if none is payable. It is free to the consumer of the service but not cost free because it has
1500 to be paid by somebody else. What is true of education is true of the bus service, where we do
not charge the passenger but we charge the taxpayer even if they do not use the buses.
However, housing, electricity, water and health are examples of partly funded services, where
the user pays a proportion of the cost and the balance is paid from Government taxation. The
Budgets were therefore a balancing act between who paid for what. Clearly, to the extent that
1505 the services are funded from taxes and the biggest share of taxes comes from those with higher
incomes, there is a transfer from those who are better off to those who are worse off as far as
their incomes are concerned. All budgets by governments everywhere have an element of this
and in addition there can be fiscal measures designed to encourage economic activities that can
increase the revenue streams of the government.

1510 The GSLP in 1988 set out to achieve specific economic targets and that is still the philosophy
of a party. The GSLP has always been committed to a high rate of economic growth and
delivering a healthy economy. We have also always been committed to a fiscal policy of not
borrowing to pay for recurrent expenditure, a policy that we introduced in government for the
first time in 1988. As a Government we are given a limited level of income in a given year and
1515 that is the most that we can spend. Our policy is not to spend it all but to have a surplus, part of
which we dedicate to meeting capital investment and part of which we put in separate
reserves – the rainy day funds – to provide a safety net for future unexpected economic events
that may drastically reduce our revenues.

Economics is a zero sum game, and so is public finance. It can grow over the years but in any
1520 one year there is a fixed amount of money available, and if we spend more in one area then
there is less available to spend on something else. There is a concept in economics which
measures the logic of the distribution of expenditure by looking at the opportunity cost. That is
to say when you spend in one area you are foregoing the alternative on which that money could
be spent. In the final analysis these are the choices that are reflected in the Estimates of
1525 Expenditure before the Parliament.

This is not the same for capital spending because different products will have different rates
of return, and then there are projects where an asset is created that yields a profit compared to
those where the asset created will require additional running costs in order to meet the
maintenance cost of the asset. This requires a different approach, which is often not taken into
1530 account. We have created additional assets since 2011 and some of the extra running costs
resulting from such assets are now reflected in our recurrent expenditure, part of the reason for
the rise.

The National Economic Plan is designed to generate higher income growth on the premise
that such growth, as a general rule, will produce higher incomes either from taxpayers or from
1535 greater numbers of taxpayers by generating employment and therefore yield increased general
revenues to meet the cost of public services. I have already set out the GDP comparison with
Government revenue and shown therefore that the GDP growth is the incorrect metric to quote
in respect of financing public sector increased expenditure.

Mr Speaker, last year I went to a great deal of trouble to provide a detailed analysis to hon.
1540 Members opposite, and in particular the Hon. Mr Feetham showing why his premises were false
and therefore, by the rules of logic, his conclusions incorrect. It was, of course, a complete waste
of time since his contributions to the Budget debate, if they can be called that, remained
unchanged. In fact, he first accused me of attacking him in my speech, which I had not done. He
then changed his mind and decided I was attacking the Chief Minister, which I had not done
1545 either. And then, of course, the GSD came out saying that I was attacking the Civil Service, which
I was not doing either. I was not attacking anybody, I was not even making a policy statement; I

was simply explaining the facts as I saw them. I find it difficult to understand why explaining facts about numbers that we are dealing with in relation to the economy, the public finances and the cost of providing public services can be interpreted as an attack on anyone. Either the explanations that I provide are accurate or they are not, and I am happy to stand corrected if someone can come along and show me that my numbers are wrong. It has not happened so far.

The debate we were supposed to be having at that meeting was whether the Parliament would approve the withdrawal of £512 million from the Consolidated Fund last year to meet departmental operating costs until March 2019. It also sought approval for a grant of £25 million to Government companies, which I do not normally include in my calculations when comparing with pre-2012 Budgets, because under the GSD – which the Hon. Mr Clinton and the Hon. Mr Phillips were not a part of but Mr Feetham was – no such payments were made.

We have two sets of books, Mr Clinton claims, as if it were some backstreet trader fiddling his tax returns – something no one does anymore because Company Tax is now only 10%. It is not worth doing. They have been voting against the budget of the Departments because they do not know what the £25 million for the companies is for. Well, they should ask the Hon. Mr Feetham how is it that he is so incensed by not knowing this when, as a GSD Government Minister, he did not provide a grant to Government companies to cover their losses. Their losses were covered by Consolidated Fund advances, which were not part of the Budget, did not require the approval of Parliament and no information was provided. How is it that what Mr Feetham was doing as a GSD Minister was more transparent and giving Parliament more control?

They complain that there is insufficient information on the companies. Well, they know that the GSD simply failed to compile company accounts and that in 2011 the last accounts that had been closed and audited were those of the GSLP from 1996. It seems to me that the GSD's view of parliamentary accountability is that when they were the Government they could do what they liked and be accountable to no one, and when they are in opposition they expect to have the level of information they had in government but never provided to anyone else.

This year they are being asked to support the appropriation of an even higher figure, £549 million, from the Consolidated Fund. Let me say that this is not because there were costs in providing services which were hidden in a second book of accounts last year and have now been included this year; it is just that the cost of everything has gone up. Last year the revenue was estimated at £652 million and Mr Clinton suggested that this showed we were heading for a deficit. Of course there was no such risk. The revenue is calculated by the Treasury cautiously, deliberately to minimise the probability of a shortfall. The expenditure is calculated on the basis that controlling officers are expected to keep to the approved estimates of expenditure and avoid supplementary funding and higher expenditure.

These two policies are designed to reduce the risk of a recurrent Budget deficit, which is one of the red lines of the GSLP economic and fiscal policies which operated between 1988 and 1996 and have operated from 2011 until now.

The forecast for expenditure shows an outturn which is below the estimate figures, as the Chief Minister has pointed out. At the same time, the revenue received has been higher than estimated by £55 million. The £55 million is entirely the result of the principal sources that I have identified earlier – heads 1/1, 1/2 and 2/1 – which provides further evidence of how important those three heads are to the level of revenue of the Government. The whole of the £55 million came from those three.

How did the Leader of the Opposition, the Hon. Mr Phillips, evaluate the fiscal situation last year – and, I think, how he evaluated it this year? (**Hon. Chief Minister:** He didn't!) (*Laughter*) I will quote his words. I am not sure he did last year either, but he was supposed to be doing it, anyway. He said:

But there are some indicators, even from the slither of information that the Government has provided. From what we have been able to distil, despite the massaging of those figures referred to by the Hon. the Chief Minister himself, our recurrent expenditure is increasing, estimated at £627,815,000 for 31st March 2019;

1595 A 'slither of information', Mr Speaker: it is the same information that has been there since we took over in December 2011 and has been there in the previous 15 years that Estimates of Revenue and Expenditure have been presented in the Appropriation Bill for the approval of this Parliament; the same slither, not one molecule more or one molecule less than the slither of the previous 22 years; the same slither that is in this year's estimates. However, I have never heard anybody else before call it a 'slither' in the 22 years, and I never did as Leader of the Opposition when the GSD Government presented their Budget 'slither' here.

1600 He then told us and the listening public that from that slither he had been able to distil that the recurrent expenditure was increasing and estimated to be £627,849,000. Great detection work, worthy of Sherlock Holmes. The Leader of the Opposition discovered last year, by distillation of the slither, as if he had found a fingerprint, that the recurrent expenditure was increasing. Well, I have got news for him, Mr Speaker: it has increased every year I have been here since 1972. Let's take a closer look at the alchemy of the distillation of the slither that led to the discovery. What a disappointment! All that effort to discover the figure, and there it was in plain sight where it has always been, on page 1. Or maybe the Leader of the Opposition never got past page 1 of the Book and that is why he thought there was only a slither of information.

1610 I have already mentioned the Hon. Mr Feetham's reaction to my speech last year was that I was attacking him. He told us last year he was extremely hurt – I do not want to hurt him this year, it is my birthday, but I have to say what I have to say.

1615 **Hon. D A Feetham:** It's called irony.

Hon. Sir J J Bossano: He was extremely hurt by the venom of my criticisms about the content of his speech of 2017, and as evidence of the venom he claimed to have received a text which he said came from a former Minister, and the text was: 'Are you the only Member in opposition? *Va a gasta el nombre!*' That is the text he got. Well, obviously the text message, if it existed, came from a GSD former Minister – I do not think it was a GSLP former Minister – so I do not think we should put much store by a comment from such a source.

1620 However, it is true that the Hon. Member was a Minister from the GSD administration of 2007-11 and he is still here and claims to have been closest to the Chief Minister, being just a few yards down the corridors of No. 6 – close enough to him to have come to the conclusion that he was the greatest living Gibraltarian. *(Interjections)* I am going to give him an opportunity to put that right today. *(Laughter)* This is a serious matter, Mr Speaker. Of course the judgement of the hon. Member is highly suspect when one analyses the decisions that he has taken at several junctures in his short political trajectory. So, if what he heard from me was venom last year, then what he must have been exposed to in the corridors of No. 6 from 2007 to 2011, so close to the greatest living Gibraltarian, must have been pure, undiluted, rattlesnake poison by comparison, *(Interjection and laughter)* as evidenced, if nothing else, by the treatment my Budget contributions used to get in this Parliament as well as the anecdotal evidence that we have of the treatment meted out to other residents of that building. **(A Member: Hear, hear.)**

1630 Of course he should realise that he carries a certain responsibility for the nonsense that he applies in his analysis of the public finances, which others on the Opposition benches do not. He has justified his decision to vote against the recurrent expenditure, which pays for all the public services, on the grounds that the capital spending of the Government and the companies is too high and he does not know how high. Other Members may think that the two are linked, but he knows full well that they are not. He is carrying the lower borrowing banner which he had when he left the GSLP and started the so-called Labour Party. He will, I am sure, recall that in the 2003 General Election, in a radio debate with the then Mr Caruana, he attacked me for defending the fact that maturing Government debt was being rolled over and because in my view it was not too high. He was then converted to the bad ways of the GSD in 2007 and presided over the biggest increase in Government debt that Gibraltar had ever seen, to the extent that the newly introduced legislation in one year was breached and had to be put right in the first year by

making the relevant law apply to net instead of gross debt. The GSD way was to say that the economically correct thing to do was to control gross debt, and then they found they could not do it, and when they could not deliver they changed the law and changed their philosophy and now said the correct thing to do economically is the net debt.

However, they soon found themselves in trouble again and they had to manipulate the Estimates Book by changing the accounts retrospectively and inflating the revenue figures so that the breach of the ceiling would disappear, doing this after the close of the financial year in question. (*Interjection by Hon. Chief Minister*) Having done this, they were ready in 2011 to bring a motion approving exceeding the ceiling of the legal limit, something they conveniently failed to mention during the 2011 election campaign, as the Hon Member knows only too well but other Members of the Opposition may not. This was revealed in the opening of Parliament by the greatest living Gibraltarian when he was the Leader of the Opposition, but he had not revealed it when he was in government or defended it in the election or put it in the manifesto or made any mention of it in the Parliament. We, of course, refused to proceed with what the GSD was planning when we came in, in January 2012. Nor did he tell the public in the General Election that there was a roadshow planned – which was due to be carried out before the election and then it was put off until after the election – to raise money in the US to pay for the diesel generating station on the Upper Rock, an insane proposition which would have saddled us with a useless, polluting, expensive generating station in breach of EU law, incurring penalties and, at the same time, a level of company debt that was to be funded by raising electricity prices by 5% per annum.

All this baggage is something that he carries, which makes his present concern for debt levels sound hollow. (**A Member:** Hear, hear.) But it does not end there – no, don't applaud yet (*Laughter and interjections*) – because there is the fact that there was a programme of capital works which would have cost £1.5 billion in respect of which Mr Nigel Pardo's company was project manager and which could only have been funded by company loans, since there was no way the Government revenues of 2011 could have permitted this level of debt, given, as I have already mentioned, that the existing public debt already needed a motion for approval to exceed the limit, even without the £1.5 million. The American roadshow, organised via a UK bank, clearly indicated that this loan was to be serviced not by Government revenues, not Government debt, but by sales of electricity with a 5% annual increase over I believe it was a period of 20 years.

We did not know any of this in opposition and the people of Gibraltar in the 2011 election did not know any of it either; nor did they know that this was what was going to happen if they had voted the GSD back into government. The hon. Member, having been a Government Minister and a candidate in the election, was part of this electorate deception. I imagine that Mr Clinton would have been very critical if he had known of this. But the Hon. Mr Feetham was based in No. 6 and must have known this, unless the greatest living Gibraltarian did not trust him enough to tell him about it, in which case he would have been a victim of the deception instead of a perpetrator and in which case – this is where he is going to get the opportunity – he might now wish to review the accolade with which he rewarded the former leader of the GSD when he was handed by him the leadership of the party on a plate.

So, now maybe he can text back the explanation to the GSD former Minister who texted him last year, or maybe the individual concerned is listening to me again this year and does not need texting now that I have given him the explanation that was puzzling him a year ago.

Whilst on the topic of public debt, let me enlighten Members opposite about the direction in which orthodoxy on debt is moving, which they may not be aware of. Since the 2007 financial crisis which led to the great recession in 2008, the western world resorted to Keynesian pump-priming to stop the recession dropping into shrinking economies of the sort that led to the 1930s Great Depression. It has proved very difficult to bring about a recovery and it is only after a decade that output started to go back to pre-2008 levels, 10 years.

The policy of quantitative easing drove a coach and horses through the Eurozone limits on debt to GDP ratios, which had been set at 60%. At the same time a similar situation was occurring in Japan, where the stagnation of the economy lasted longer and the debt to GDP ratio reached 250% – still there today – putting it at the top of the list in the world. Greece finished up with 180% and currently Italy is 130% and likely to go up if their budget deficit stimulus is not stopped by the EU. The UK is on an 85% ratio. Many developing and poorer countries have much lower debt to GDP ratios, so there appears to be no correlation between debt level and the performance of the economy.

A revision of the orthodoxy on the ratios in academic circles, primarily in the US, is taking place, although the new formulation has its roots based on the work of Keynes on money in the 1930s. The level of debt financing recurrent spending in the advanced economies has sparked the revision. Let me just add for the sake of completeness that all these countries that I have quoted are financing recurrent expenditure by borrowing, whereas in Gibraltar since 1988 under the previous Government and in this Government we only use loans to purchase assets. The developing approach is that it is not the size of the debt that matters in relation to the GDP or otherwise, but whether it is raised within the country and in the national currency. The argument is that as long as the US or Japan borrow from within the country and in their own currencies the size of the debt is not a threat to economic stability. The top borrower, Japan, at 250% of GDP, seems to provide evidence that the theory works. The US currently stands at 105% of GDP, well below many European Union states.

The GSD seem to have developed a theory since they went into opposition, or perhaps since the Hon. Mr Clinton became the spokesman on public finance, that the central Government debt should include the debt of state-owned enterprises. Indeed, they say this is what they would do in government. Well, we all know from past experience, 15 years of it, that what they say they would do in government when they are in opposition and what they actually do when they form the Government are two totally different things (**Two Members:** Hear, hear.) and occasionally diametrically both things. What they now raise their hands in horror about is what they actually introduced in government, with borrowing by the GHA disguised as rent and borrowing by carparks explicitly reflected as such in the accounts of the company. As I have told the hon. Members opposite, the policy was justified in this Parliament as paying a small premium in the rate of interest because the loans were secured on identified assets, mainly Government buildings, and there was no recourse to the assets of the Consolidated Fund, as Government debt has. So, if the Members were to be in government and convert all the company loans on which more interest is being paid by making them Government loans, they would then convert them into something that should be paid less interest without recourse to the Consolidated Fund assets. They would also, of course, have considerably more problems in raising money after that because that percentage would be somewhere in the stratosphere.

The servicing and repayment of the public debt is a direct charge on the Consolidated Fund and does not require the appropriation approval of this Parliament. We, before 1996 and since 2011, have provided a General Sinking Fund, which provides an additional layer. The Hon. Mr Clinton questions why the size, where is it topped up from, and says it should be linked to a debt repayment schedule. Well, Mr Speaker, this is what the whole problem is about the conduct of the GSD in terms of consistency and even of political integrity. In government they did two things: they scrapped the Sinking Fund and all other areas where we had reserves – my piggy banks, as the then Chief Minister used to describe them in order to belittle the policy. Fine, they do not believe in rainy day funds; they do not believe in general sinking funds; they do not believe in Community Care reserves – indeed, they do not believe in retaining Community Care; they do not believe in retaining Savings Bank profits in the Savings Bank Fund or even in making profits for the Savings Bank. These are all the things they did not believe in in the 15 years of government.

They also used to tell us in opposition, when they were the government, that we were not entitled to question their policies if we had not included the same policies in our manifesto.

1750 Well, what they do not do is practise what they preach, because when in opposition not only do
they question the things that they do not have in their manifesto but they claim to be entitled to
have the level of information they had previously when they were in government. They used to
1755 argue that there was no legitimacy in seeking information or pressing for action on
implementation of things that we in the Opposition had not committed ourselves to do at an
election because by definition none of that would be happening had we won the election and
therefore they felt under no obligation to provide answers. Well, if that is their view of how
things should be done when they are in government, those are the rules they should apply to
themselves now that they are in opposition.

Mr Speaker, the labour market is a very important factor in the structure of our economy and
1760 there has been a dispute about the labour market between us and the GSD for some time. In
government they argued in 2010 that the supply of resident labour, and in particular
Gibraltarians, had been exhausted; the economy could not grow unless there were more
frontier workers, which they welcomed. It was, Parliament was told, a problem of procreation.
Not enough Gibraltarians were being conceived, we were told by the Chief Minister to keep up
1765 supply in the labour market – it takes a bit of time after conception to get to the labour market,
but there you are, *(Laughter)* – to replace those who were retiring. We were told that this was
evident in the male component of the labour market and that in fact increases in previous years
had been in females because more females were entering the labour market but there were no
males. A year later, on the eve of the elections, the GSD introduced a policy requiring
1770 Government contractors to give priority to Gibraltarians who were suitable candidates for
vacancies and seeking employment. I welcomed this in the 2011 Budget and have continued to
apply the policy to this day in my responsibility in the field of procurement and also engaging ESF
funding in support of private sector recruitment of local people. I believe to this day that the
policy has played an important part in supporting employment, in the private sector, of local
1775 people. I have no problem in acknowledging that this was a GSD initiative just before the 2011
election, but it has influenced the results that we have been able to deliver.

So, here we are in 2019 and the present Leader of the Opposition told us last year, not for
the first time and I expect not for the last time, that the failures of the Government employment
strategy would have a long-lasting consequence beyond our short term of office and that they
1780 would pick up the pieces when the people of this community put us back in our natural habitat
in Opposition. It is my natural habitat – I spent 36 years there! *(Laughter)* He did not tell us how
long he expected to have to wait for this to happen.

Since he is talking about going back to picking up pieces, I will remind him of what the record
of the GSD in employing local people was, now that we have the result of the labour market in
1785 2018. There were 10,222 Gibraltarians in employment in October 2011; in October 1996, 15
years earlier, there were 9,390 – an increase of 830 in 15 years, an average of 55 a year. October
2018 shows 11,228 Gibraltarians in employment, an increase of 1,018 in seven years – more in
seven years than they managed in 15 – an average of 144 a year, more than double the previous
GSD results. So is this what he is promising to take our community back to – the pieces that he is
1790 going to put back? Apparently not, because he says that those Gibraltarians are now very
unhappy because they are in dead-end jobs. Presumably they were employed in the GSD's time
in very good jobs, or out of work but happier.

Let us examine the rationale of the dead-end jobs. There were 800 more Gibraltarians
employed in the public sector in 2018, according to the survey tabled today, than there were in
1795 2011. I do not know whether the Hon. Mr Phillips considers jobs in the public sector to be dead-
end jobs, but there are 800 more there. I can tell him that it is very frequently the case now, and
was the same before 2011, that many people in the private sector will apply for jobs in the
public sector even though they are in management positions and are entering the Government
in junior positions. This is because of the pay differential, the conditions of employment and the
1800 greater job security. The aspiration for the children of almost all Gibraltarian parents that I know
is, for self-evident reasons, to do that – to get a job in the public sector. So Gibraltarian

employment in the private sector has gone up because those previous employees successfully applying for Government jobs have been replaced by Gibraltarians who previously were without work. The private sector has grown from 16,960 to 23,969, the result of the economic growth producing over 7,000 new jobs, with Gibraltarians taking up 397 of the new jobs, and of course 800 of the ones who moved from the private to the public.

I am assuming that the hon. Member is not worried about frontier workers being in dead-end jobs. Let me say that if anybody is going to campaign on the basis that if they get into government they will guarantee that there will be no dead-end jobs, then this is the acme of creating an entitlement culture, incapable of being fulfilled. In any organisation, public or private, there are more people in the lower grades than in the more senior positions. Not everyone will get promotion, however able, because the structure would have to be flat for everybody to be promoted and not pyramidal. The dead end is a mantra that we are not doing, like the mantra of the gold-plated training schemes that they did not do in 15 years and we still do not know what they are because he never tells us and, I suspect, neither does he know.

He said that I tried to denigrate his argument by my Department writing to all employers in a desperate attempt to show that there was no interest in the business community to take on apprentices. I totally reject that the letter by my Head of Department of March 2017 to the business community was in any way denigrating him or his arguments. To denigrate is to unfairly criticise or attack someone's reputation. I will therefore read the letter that was sent in March 2017, which simply contained a factual account of events, and let Members judge for themselves if the Leader of the Opposition was being denigrated by it. The Head of Department wrote:

I have been requested by the Minister of Economic Development, the Hon Joe Bossano, MP, who is responsible for Training for Employment, to enquire as to your training needs.

It has been said in the last election that there was a huge demand from private sector employers who were crying out for apprentices.

Immediately after the general election, I wrote to Mr Phillips, the Opposition Member of Parliament who stated this and asked for a list of the businesses in question in order to engage with them and set up the apprenticeships. Mr Phillips felt he could not provide their names but offered to inform them so that they could get in touch with me.

To date, no one has contacted me. However, Mr Philips claimed recently in Parliament that these businesses that he knew had attempted to contact the Department but had not been given a response. We have no record of any such contact in the Department. I am therefore writing to each business in Gibraltar that is registered as trading to enquire a) if they have attempted to contact us to obtain apprentices and if not b) whether notwithstanding the fact that they haven't approached us they are interested in creating job vacancies for apprentices, in which case we would be only too happy to engage with them and offer them our support.

I would be grateful for your cooperation and for a reply to this letter to the effect that you are interested in engaging apprentices or that you do not wish to avail yourself of the opportunity at this time so that we can place this information in our records.

Given our commitment to provide apprenticeships, the door will always be open if you wish to avail yourself of the facilities, at some future date.

Thank you for your cooperation in this matter.

Well, Mr Speaker, he was right that it was a desperate attempt, but not a desperate attempt to denigrate him; it was a desperate attempt to find out where were the people who were interested in apprenticeships. And it did not work, we did not find anybody – it seemed nobody was willing to take the apprentices. He says they are crying out, but only he can hear their crying and he will not tell us who they are. What I am saying is from the players that actually said anything about apprentices when we contacted everybody who had five or more employees – something like 900 employers – the only response we had was from people who were interested in running the training; that is to say in us contracting out the training to them and they would then do the apprenticeships and expect somebody else to employ them. Well, that is not what we were looking for.

For example, we had two years ago somebody who came and said they were interested in setting up a training school here for divers and we agreed that we would fund that – actually, it

never materialised, he did not come back with proposals – because we would have nobody within our system who would be able to provide the skills that are needed to get a diver and this particular person was somebody who had contacts in Scotland, where people would be sent to be tested and certificated and somebody who has an entire line professionally in that area. So, if
1840 somebody comes with a specific skill ... It looked a very promising thing because he was talking about having a training school for divers here and bringing a lot of work here to Gibraltar, but we get a lot of proposals that never materialise because other factors affect the person's ability to raise capital, or something else.

That is the kind of thing that we can support, but if it is a question of somebody coming to us
1845 and saying, 'Well, look, I am prepared to do the training that is now being done in Gibdock for electricians,' the answer is that we already employ people to do that. What I am saying is that if we are not offering the kind of apprenticeships that he says he knows about and he says he knows the people who are willing to supply us with a placement ... Nowadays the apprenticeships for NVQs are very limited in terms of classroom learning and are predominantly
1850 learning hands-on in the real world, in the market. The people who are learning to be car mechanics are working in private sector workshops, repairing cars as part of their NVQ training to become motor car mechanics. We pay their wages but we put them in a place where there are real cars and not just a car that they can dismantle and put together again. That is what is required. I am quite happy to go down that route, but I have not been able to find willing takers.
1855 It is as simple as that. All I can say to him is if he says that ... I am not saying he is lying; I am saying I have difficulty believing how it is that he gets people to go to him and tell him something which he cannot deliver and they will not come to tell me – and the Government is the one that can deliver the training. I have invited employers to get in touch with the Department to open vacancies for apprenticeships. I have also sent the same message to the Chamber and the
1860 Federation of Small Businesses. So far, what I have had, as I have said, is only people who are interested in taking over the role of training that the Government is already doing.

The policy of the GSLP, approved at a general meeting, is that we continue to provide apprenticeships and training to get all the people into employment, and that is why the Government's policy is training for employment. What we do not do is train people and then put
1865 them back on the dole. I know that happens elsewhere, but that is because elsewhere people move from one part of the country to the other; so somebody can be trained in La Linea and finish up working in Barcelona, but here people do not want to go to Barcelona or anywhere else – they want to train for the jobs that are here in Gibraltar.

Meanwhile, we continue with the existing training schemes and we will look at anything new
1870 that comes up in terms of skills that we have not considered in the past. At the moment, we have got the apprenticeships in electrical and mechanical skills in Gibdock, on which I give updates whenever I get asked, mainly by the Member opposite who has asked me for the figures in the two training centres; and there is also ongoing training in the transport, tourism and construction sectors for drivers of buses, coaches, lorries, forklifts and plant operation. In the
1875 care and health sectors, we are running courses for apprentice nursing and apprentice care assistants.

The labour market in Gibraltar is increasingly supplied from the hinterland in Spain. Clearly we cannot be increasing jobs at the rate we have been doing in the last seven years without relying on frontier workers. The reliance on frontier workers is something I will be taking into
1880 account in the structural changes I feel the economy needs to undergo after we leave the EU in October if there is no transition period, as seems increasingly likely at this moment – to me, anyway.

The problems of the labour market in Gibraltar that distort the structure are not new. I discovered, thanks to the Hon. Mr Clinton – my good friend Roy, if I may call him that,
1885 Mr Speaker, (**A Member:** Hear, hear.) – who gave me a present on the occasion of my knighthood, which I treasure. It is a copy of a report on the structure of the Gibraltar economy of 1944 commissioned from Prof. Frederick Hayek, an eminent Austrian economist, an eminent

authority on economics whose views I do not share, since Prof. Hayek is a defender of the theories of Adam Smith and I was brought up, as it were on the thinking of John Maynard Keynes. The two were contemporaries with opposing theories. However, the empirical facts of the labour market in the survey that he did in 1944 were identified by the report and make interesting reading. Two issues were highlighted: one was the disparity – I would say discrimination – between the UK-based workers in the MoD known in later years as agreement workers recruited from the UK, and the much lower wages paid to local workers. The first issue was put right in the parity battles of the 1970s, in the middle of which the GSLP was born. The other issue was dependence on frontier workers in the hinterland and in particular the share of the size of the labour market that was held by cross-border workers. The second is still with us and I have described how it distorts the GDP per capita computation, creating a sense of entitlement amongst some of our people who want a share of the money they think is there but does not exist.

Mr Speaker, Community Care came into existence to meet a particular need to supplement the incomes of our senior citizens. It was one of the many initiatives undertaken by the socialist Government from 1988 onwards. The GSD has been no friend of Community Care historically. Having promised both in the Parliament and in general elections that they would maintain the annual grants so that the charity would not need to dip into the reserves built up between 1988 and 1996, it did not just fail to honour this promise, it actually engaged in a policy of withholding grants so that the reserves would be exhausted. At the time this was going on, in this Parliament we were being told the opposite of what was taking place. In spite of this totally indefensible behaviour by the GSD in the past, today it feels that it has the right to call to account the charity to explain how it uses its resources, when if the GSD had been re-elected into Government in 2011 the charity would have ceased to exist. This is not an opinion or a political view; this is what the Chief Minister of the time told the media and told me in answer to my Questions in Parliament. Just prior to the General Election of 2011, the Government confirmed it still intended to close down Community Care but that there had been some slippage in the timescale and it would happen in 2012 after the General Election.

In 1996, at the start of the GSD term of office when they were still providing support, I asked Questions about the charity and the reply from the Chief Minister was that as an independent charity we should not be doing things that might give others the impression that it was an extension of the Government or under Government control. That was enough to stop me asking any more Questions, since the interests of the charity came first and its protection as well. Indeed, I reminded the then Chief Minister that I had only asked the Questions because it was something in opposition he had said he would do if he came into government and he was not doing it – and he was not doing it because once in government he realised that what he was asking for in the Opposition was not a good idea. I regret it is not enough to stop the Hon. Mr Clinton wanting to have more information about this charity.

The charity receives grants from us because that has been our policy since it was set up, because it is in our election manifesto and because when people vote for us they know that this is what we are going to do. Indeed, the Chief Minister has just announced that if we get a windfall payment of Company Tax, rather than have it disappearing in recurrent expenditure we hope to have the opportunity to get closer to the target for Community Care. We keep the promises we make. They make promises to do likewise but then do the opposite. The money we provide belongs to the charity and the charity uses it in accordance with its constitution. It does not have to give explanations to the Government and even less to an Opposition that would have closed it down.

Last year Mr Clinton was concerned by the reduction in the grant of £15 million, which has been made up this year by providing £25 million. I do not think he was doing this because he was worried about the survival of the charity but to use it as evidence that we were heading for a deficit. Well, what we were heading for was a Brexit, not a deficit. The two decisions – to curtail spending on the payroll of the top salaries and the salaries of Ministers, and on the grant

1940 to Community Care – were taken in the context of a possible contraction of revenue in the last financial year as we reached Brexit.

As I have explained, the results this year produced a higher income of £55 million and all of it from the three revenue heads that I have suggested are the chunk of the 85% of Government revenue. My advice to the Government is the advice that I got from the GSD Chief Minister in 1996: that it is not in Gibraltar's national interest to engage in providing information to Parliament on the affairs of an independent charity. It was enough to stop me asking Questions and I hope that the Hon. Mr Clinton will reconsider the position.

The position of the Government on the reserves of Community Care is that we are still committed to build them up. At £100 million, the reserves are at the equivalent in today's money of the £60 million we left in 1996, but this level of revenue of reserves is now much lower as a multiple of the running costs and therefore we are still committed to come as close as possible to the £230 million as quickly as we can.

I also want to make clear my total opposition to the policy being adopted by the GSD in respect of state-owned enterprises – SOEs, as they call them in the People's Republic of China. (Laughter and interjection) I have already described how they had one policy in 1996 in opposition, the opposite policy between 1996 and 2011 in government, and now they are back in opposition they are reverting to the pre-1996 position as if their conduct over the intervening 15 years counted for nothing and could be airbrushed aside. They did not just fail to give information which we accepted, they did not even comply with the law to have up-to-date accounts for 15 years, so how do they have the gall to question anything now? As socialists, we believe in the public ownership of companies that engage in commercial activities. We believe that such companies have to be allowed to conduct their affairs under the rules that apply in the market. So why does the Hon. Mr Clinton think that Gibtelecom should be debated in Parliament as if it was a Government Department because the Savings Bank has invested in its shares? Does he think this because it is Gibraltarian and that it should be handicapped? Or does he think that if the Savings Bank bought BT shares we should debate the activities of BT in this Parliament? The Gibraltar Savings Bank has the role of a development bank. It was the Hon. Mr Clinton himself who defined it as such in one of his earlier contributions. This was the GSLP policy in 1988. They were against this role and stopped it in 1996. Why does the GSD think in opposition that we have won the election to abandon our policies and implement theirs? This is not a question of secrecy; it is a question of protecting the rights of entities in which we invest to have a level playing field and not be handicapped because the shares are publicly owned.

In the comparative tables by the World Bank and the IMF, the ratio used, debt to GDP, is the one that we are using here simply because no one uses any other measurement. The UK has requested a ratio of reserves from its Overseas Territories linking it to revenue which it does not apply to itself, as I have explained previously to the Members opposite, and they certainly have not attempted to require it from us – they have done it to other Overseas Territories. When they were in government the GSD discovered that it was impossible to fund capital projects using the ratio of debt to revenue – it can only mean a declining level of debt, believe me, Mr Speaker – and therefore this is one of the reasons why they had to have a motion to breach the ceiling, and eventually, when that was not enough, they had to resort to raising funds through Government companies.

The important thing, in my judgement, is how the money is used. We never questioned how much money they were raising as long as the money was being used on something that was either delivering infrastructure which would produce not just economic activity while it was happening but longer-term benefits in economic growth and revenue, or they were actually investing on something that produced a return which was more than the servicing cost of what they were borrowing. All this has been explained ad nauseam, but the Members opposite do not care about the explanation because their strategy is not about accountability, transparency or anything else; it is about finding something to attack the Government with in order to seem to be an effective Opposition. The things they say they would do but never did are the things they

say we should now do, and we will not because we are not going to do things that we do not think are in the best interest of Gibraltar and because they are only saying it in the hope that it might undermine confidence in the Government.

1995 On the question of the Savings Bank and in accordance with the provisions of the Act and the policy of the Government, I will continue to give priority to reinvesting the funds on deposit in Gibraltar projects which will promote Gibraltar's economic development and provide a better return than is currently available from the investments with the Crown Agents. I have made sure in the reports that I distribute to depositors that they are all fully aware of this policy, and they
2000 still keep on putting their money in there.

I have demonstrated that I have defended the same policy on Government debt since I joined the Parliament in 1972, in government or in opposition, and what goes for Government debt goes for company debt too. If Gibtel borrows money as part of its business strategy, is that going to be included as Government debt? And if we invest in BT shares, are we going to include their
2005 debt as Government debt as well? The only relevant issue in borrowing, irrespective of who is doing the borrowing, is whether the money is employed so that it produces a higher return than the servicing cost.

The Opposition says the level of borrowing by companies is what stops them being able to vote for Government recurrent expenditure. There is absolutely no connection between one thing and the other. Nothing that they get told will change their mind because having decided
2010 not to vote in favour of the Appropriation Bill once, they are now stuck with the policy.

One particular company which the GSD has hated since its inception is Credit Finance, which they claim is paying Civil Service pensions and therefore reducing the cost of the annual Budget to produce fictitious surpluses – the £55 million this year, presumably. The fact that I have explained why this is not so is not going to stop them saying it, so I will just limit myself to pointing Members to where the cost of the Civil Service pension is in the Consolidated Fund charges as a direct debit not requiring their vote. The cost of these pensions in 2011-12 came to
2015 £27.6 million a year, before Credit Finance existed and when they were in Government; in the year just ended, that the Hon. Mr Feetham says the Government is no longer paying the pensions, the pensions came to £41.3 million; and the estimated cost for the current year is £45.2 million.

In closing, Mr Speaker, I would like to deviate from what I normally include in my speeches for the Budget. I have been talking about financial sustainability and how we can ensure that we will be able to continue to pay for the public sector services going into the future. However,
2025 there is a deeper and more urgent issue, which is the sustainability of the planet to support life, **(Two Members: Hear, hear.)** which is even more real a challenge *(Banging on desks)* than fiscal sustainability, which in the final analysis is about balancing the books so that we can pay our way. I was not able to be here to take part in the debate on the motion 'Declaration of Climate Emergency', so I would like to take this opportunity to put my views on record because there is a
2030 dimension, which is related to what the Budget debate is about, that was not reflected in the debate on that other motion.

Having read the *Hansard* of the debate, I have to say that I disagree with the analysis of what needs to be done to avoid the catastrophe to which humanity is heading. It is clear to all of us that nothing that we do in Gibraltar can have a perceptible impact on where the climate is heading to or the continuing degradation of the environment. However, that is no excuse for not
2035 doing our share or even wanting to do more than most, since we are committed to the cause of environmental protection. The point I want to make is that this should also apply to the analysis I am about to make, which is not happening elsewhere and which in my view is the true cause of the problem.

2040 When Dr Cortes introduced the motion, he stated that the receding ice sheets, glaciers and other climate changes had been part of the history of our planet, but until the last 200 years all these changes had been due to natural processes and not the activity of just one species: ours. I do not agree with him. I think this focus is part of the problem that humanity has. Our species

did not suddenly materialise 200 years ago; it evolved 200,000 years ago. So what is it that happened 200 years ago: the first and second industrial revolutions and Adam Smith, the father of the theory of the classical school of economics, leading to factory production, international trade and even the GDP as a measure of a nation's health, when previously it was based on gold and silver reserves. This was not being done by the species but by a small section of the species: western civilization. (**A Member:** Yes.) They are the real culprits. The process that this started has led us to where we are now, with a globalised economy and mass production on a level never imagined before. The problem is not CO₂ but what I call CCD, compulsive consumption disorder, the western world's lifestyle and values that define what we call the standard of living and what the rest of mankind aspires to achieve. Globalisation is turning this disorder into a world epidemic. It is killing some of us in the west and it is killing the rest of the planet in the process.

I agree with the approach suggested by my hon. Friend Mr Feetham – I am saying something nice and this time he is not listening (*Laughter*) –

Hon. L F Llamas: He doesn't expect it!

Hon. D A Feetham: Always listening!

Hon. Sir J J Bossano: I agree with the approach suggested by the Hon. Mr Feetham on changing our lifestyles by eating less meat, for example, or what my colleague Minister Balban suggested, that we should make less use of cars and make more use of buses – although I do neither as a general rule because I walk; I have never owned a car and I do not know how to drive. But these individual changes in lifestyle are not going to be sufficient in making an impact, even if everybody in the west adopted them. Something much more radical is required and it is not going to happen.

As the Chief Minister pointed out, we have to be proportionate. There has to be a balance for what can be done. This is what all governments are committed to – doing something – and what we are prepared to do: a balanced approach. Unfortunately, a balanced approach is not universal – there are those who do not want to do even that – and in any event, in my view a balanced approach will not save us; it is already too late for that.

Whichever way we look, we see what is happening. There are the developing countries, as the Chief Minister mentioned, and these are wanting to catch up with us, live like us and pollute like us. And then there are those in the advanced economies who do not care and are not prepared to do anything. The US Secretary of State, Mike Pompeo, for example, told members of the Arctic Council in May:

The Arctic is at the forefront of opportunity and abundance. It houses 13 percent of the world's undiscovered oil, 30 percent of its undiscovered gas, and an abundance of uranium, rare earth minerals, gold, diamonds, and millions of square miles of untapped resources.

Fisheries galore! So much for stopping global warming so the poles do not melt. Forget the melting ice caps – just look at the opportunity for making more money. More money for whom? More money for those who already have more than they need? More money for those who have more than most?

The United Nations has as one of its targets eliminating poverty in respect of the 700 million people who live on £1 a day or less. The least polluting countries are in the developing countries and in these countries the least polluting people are indigenous tribal people retaining their traditional culture, who continue to be exterminated so that more virgin land is released and its resources used to feed the consumerism of the west, make multinationals richer and the environmental damage greater. This is the cause of the problem. The CO₂ causes the global warming and the consumption-led model of the west causes the CO₂. The west tries to reduce its CO₂ emissions so as not to have to give up its consumption-led economic model. It is

understandable: if the musical chairs of the global economy stopped, we would not know how to handle it.

2095 India produced 6% of carbon-dioxide emissions from fuel combustion in 2015 and the US 15%. In 2015, India had a population of 1.3 billion and the US 321 million. China, which was more industrialised than India with a population of 1.3 billion in that year, was the source of 28%. Are the people in India not entitled to live like those of the United States? Does anybody really believe that it is possible for the rest of the planet to enjoy the income, lifestyle and consumption levels of the western advanced economies? I do not believe it is possible without making the environmental problems we now have a hundred times worse.

2100 The real challenge in delivering environmental sustainability is that it has to be an integral part of economic sustainability. The magnitude of the problem lies in that the whole drive for economic growth is in order to increase wealth by increasing human use of natural resources. There is no acceptance of the fact that the capacity of the planet is finite.

2105 The Hon. Mr Feetham was the first one to raise the issue of the culture of entitlement in Gibraltar. It is not limited to Gibraltar and it is insatiable, so I honestly think that this is a fundamental philosophical issue which transcends politics.

2110 My job is to make our economy grow and at the same time participate in going green in Gibraltar, but the greenness in Gibraltar will not affect the greenness in the rest of the planet, so growing faster will not dramatically damage the prospect of survival for the planet. We are too small to count. But we are not too small to set out to be an example to others to follow, even if few do.

2115 In my view, the only hope for mankind lies in a dramatic breakthrough in technology, in particular in harnessing fusion energy; alternatively, for as long as the western economic model of compulsive consumption continues to spread, it is difficult to see a solution happening anytime soon.

2120 I will give an example of a dilemma that western society faces when consumption is reduced, a very small example. Two weeks ago, the figures for retail sales in the UK for the month of May were published. They showed a drop of 3% from May 2018, the worst figure for sales since the British Retail Consortium began compiling this data in 1995. Nor was it a question of a shift to online sales, which is affecting the retail trade everywhere – online sales were up 1.5% in May compared with May 2018 when the increase was 11.5%. Should we be worried by these results or celebrating? It depends. Given the western economic system is driven by ever-increasing consumption, a slowdown of sales or even worse a drop in sales indicates a possible recession, lower consumer spending, more unemployment and less profits. It also means less production, which means less pollution, less plastic, less use of raw materials and natural resources. This is the real dilemma that the western world has with its conflict of mutually incompatible values and objectives. This is the connection between a sustainable economy and a sustainable environment. I hope, Mr Speaker, that in the new economic structure that I need to plan for post Brexit the environment will play a bigger part in it. (**Two Members:** Hear, hear.)

2130 I commend the – (*Banging on desks*)

2135 **Mr Speaker:** Before I call on the Hon. Roy Clinton, we are going to recess for a few minutes, as the Chief Minister has been asked to record an interview for GBC, which he has not been able to do earlier today, for the news bulletin and he would like to be here present since Mr Clinton shadows him as Finance Minister. It will be a short recess.

*The House recessed at 7.55 p.m.
and resumed at 8.11 p.m.*

**Appropriation Bill 2019 –
For Second Reading –
Debate continued**

Mr Speaker: The Hon. Roy Clinton.

2140 **Hon. R M Clinton:** Thank you, Mr Speaker.

It is always an honour to follow the Father of the House, certainly in the Budget debate – although it is, of course, my aspiration one day that the order should be reversed and maybe next year he will reply to me!

2145 I was very interested to hear his analogy when he spoke about how he would explain unpleasant truths to his trade union members and I regret it may be my duty today to provide that second opinion, but I think in my case the political patients may not like the message or the prognosis.

2150 This Budget and the Estimates Book for 2019-20 has all the characteristics of a mirage. We are asked to believe what our eyes perceive to be a shimmering land of plenty, an oasis in which our financial thirst will be quenched and satisfied; and yet on closer examination of this miraculous mirage which his GSLP-Liberal Government has produced we find out, perhaps too late, that our minds have been deceived by what is no more than an optical illusion that we have been only too quick to believe. We are invited to believe a record surplus of £82.8 million – or £85 million, as the Chief Minister has amended earlier today – we are being asked to believe net
2155 debt down to £314 million, and we are being asked to believe bumper revenues of £706.6 million in the year ended 2018-19. This pre-election Budget has been purposely designed to create just that: an illusion of plenty when in fact the truth is the opposite, and we should not allow ourselves as a community to be so cruelly deceived.

2160 Mr Speaker, the truth is simply that, as I have said before, the Government is running two sets of books and we are only being shown a fraction of the financial reality in the Estimates Book that is before us for 2019-20. We need not go much further than look at the expenditure line for the new schools in the Improvement and Development Fund. In the last year's Budget, 2018-19, the Government put in a token £1,000, which I said then was obviously nonsense and not enough given that the contract for the new comprehensives had already been awarded for
2165 £52.2 million, and yet they showed £1,000. I really could not believe my eyes when the outturn expenditure for 2018-19 is not reported as tens upon tens of millions of pounds in excess of £1,000, but instead zero. Yes, Mr Speaker, zero! Page 163 clearly shows zero, nothing, zilch. Her Majesty's Government of Gibraltar, according to this Book, has officially spent nothing on new schools – absolutely nothing, not even £1,000 according to this. Yet in a letter to the Gibraltar
2170 NASUWT dated 9th May 2019, the Chief Minister boasted that the investment in educational infrastructure will be 'well in excess of £100 million'. Well, Mr Speaker, where is it? Did he spend it, or did he not? We can see the schools are indeed being built, but at what cost? The Estimates Book would have us believe they appeared by magic at no cost – or perhaps our eyes are deceiving us and it is indeed all a mirage, some sort of an optical illusion. Which is it? Do the
2175 schools exist or not? According to the Book, they do not. Where is the expense? Or are we to believe that the mysterious Gibraltar Development Corporation owned GEP Limited, that signed the construction contract for the new comprehensives, is going to gift them to us like some fairy godmother?

2180 We are being asked to believe in the realms of financial fantasy and fiction. If we took into account the Chief Minister's number of say £100 million, which I assume has already been spent on the schools so far, he would not have a record surplus of £82.8 million in 2018-19 but in fact a deficit of £17.2 million and we would only have £20.7 million left in the Consolidated Fund, and the net direct debt would then be the highest ever at £414 million. That is the plain truth, not the fantasy the Chief Minister is trying to peddle. This fantasy Budget we are presented with is
2185 the delusions of a Finance Minister who behaves like a Roman Emperor with a fiddle. As this

financial mirage evaporates in the glaring light of truth, let me set out a deeper analysis as to what I believe has gone wrong and why I cannot vote for this Budget, which in my view makes a mockery of both this Parliament and our Constitution. (**A Member:** Yes.)

2190 Mr Speaker, over the last three years I have conducted an in-depth review of this Parliament's Budget process and the Budget presentation, and I have come to the conclusion that it is not fit for purpose. There are three main reasons for this conclusion: firstly, the lack of a Finance Bill; secondly, delays in approving and debating supplementary appropriations; and finally, the undermining of the integrity of the Budget numbers themselves.

2195 Last year, I tried and failed to convince the Government to reintroduce the practice of having a Finance Bill as well as the Appropriation Bill. Without a Finance Bill, taxation measures are not being debated in this Parliament and are being mostly introduced by regulation. There continues to be a need to bring Bills that are backdating measures to previous Budget announcements. For example, the Public Health (Amendment) Bill, which we have on our Order Paper, is in respect of rates changes announced in the 2013 and 2014 Budgets. This does not even relate to the life of
2200 this Parliament nor even to the Members present. A Finance Bill would allow a meaningful recess also, to allow the Opposition to digest the measures announced and prepare a considered response.

Again, I drew attention last year to the delays in presenting the Supplementary Appropriation Bills. As at the beginning of June 2019, i.e. earlier this month, we had two years' worth of
2205 Supplementary Appropriation Bills outstanding. Yes, Mr Speaker, two years' worth! The Supplementary Appropriation Bill for 2016-17 was published on 12th January 2018 and we have still to debate it in this House. The Supplementary Appropriation Bill for 2017-18 was published on 8th March 2019 and we have still to debate it in this House. The Minister for the Environment has more success in bringing forward legislation on everything from banning ivory sales to
2210 circuses, and yet so-called 'money' Bills are totally unimportant to the Minister for Finance – regardless of Brexit. I can only conclude that the Finance Minister's tardiness is deliberate so as to delay the presentation of the Principal Auditor's report. The report for the year ended 2015-16 was only tabled at our meeting in May.

But the biggest failure of the Budget process is that we in this House can no longer have any
2215 faith in the completeness of the financial picture presented to us by way of the Appropriation Bill. Since coming into Government in 2011 there has been a deliberate policy by the GSLP-Liberals to divert capital projects into Government companies outside the Improvement and Development Fund. This included the raising of a £300 million loan by the mortgage of six housing estates, which was done through a corporate vehicle. The Father of the House talked
2220 about electoral deception when he talked about the proposed financing of the power station under the GSD, but where was the £300 million in his manifesto? Was that electoral deception as well? It certainly was not in this Book – and if it is in this Book, I would like to know where. So it is a bit rich for the Father of the House to accuse us of electoral deception when he failed to tell the electorate that within six months of the day of the General Election he was going to
2225 borrow £300 million. That, Mr Speaker, is electoral deception. Perversely, he complains of a 5% increase in electricity charges, but having a 3% annual increase in rents and rates is not a problem. And this money, this £300 million, appears to be being passed around Government companies for various purposes with no explicit legal authority from this Parliament. None of it is reflected in the Estimates Book. This is surely contrary to the spirit of our Constitution, which
2230 assumes that this Parliament will approve all major recurrent and capital expenditure, and of course borrowing.

In addition, transactions between the Government and Government-owned companies have in the past distorted income – reporting on stamp duty and property sales, for example. I estimated, in the detailed analysis I presented in the 2017 Budget debate, that the flattering
2235 effect to the Government's financial position of related party transactions had been as much as £246 million, and this included the sale of the air terminal for £90 million to Gibraltar Land Holdings in 2013.

Major capital expenditure should be reflected in the Improvement and Development Fund so that we know what our current and future commitments are. The much talked about construction of the new Airport terminal was fully reflected in the Estimates Book within the Improvement and Development Fund's project expenditure. It was there in 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14, and despite the GSLP-Liberal criticisms of the costs they voted in favour of it in successive Budgets. Yes, Mr Speaker, they voted in favour of the expenditure on the Airport six times as the project progressed, but importantly – and this is the difference with their approach as regards the schools – they knew the cost year by year. It was in the Book. As it stands today, the Chief Minister claims to be spending over £100 million on new schools but not a penny of expenditure for 2018-19 is shown. We in this place do not know how much it is costing. This is not right. This is not how it is supposed to work. We should not allow the use of corporate structures to avoid the scrutiny of this Parliament, which is what is happening.

Mr Speaker, in the period from 1st January 2012 to 31st December 2017 the Government incorporated or acquired 37 companies. Some of these are better known to us as Credit Finance Company Limited, the Gibraltar International Bank, Gibraltar Capital Assets Limited or the University of Gibraltar Limited, and they have a clear function or purpose. Recently, the trend has been to set up companies with cryptic names such as GBIC, GEP, GSTR and GEWP, and the only clue as to purpose is that the 'G' in each probably represents 'Gibraltar'. This has to stop and Parliament needs to know what are the activities of these companies. We have to have transparency not just of finance but also of purpose.

Last Saturday I undertook an exercise on the filing records of these 37 companies. Of the 37 companies only 12 have filed any financial information at Companies House. As to the financial activities of the other 25 companies we have no information whatsoever, nothing. During last year's Budget session the Chief Minister announced:

I expect to be filing the accounts of all of the Government companies, starting shortly after summer.

Well, Mr Speaker, I would gratefully accept a list from the Chief Minister as to those that have been filed; and in fact obviously, as he announced today he expects to file all of them by the end of the year, I would not mind if I had a list that included all those that he intends to file. We can only guess sometimes because, as I have already pointed out, in many cases information is filed in an abbreviated form which limits the information that is available for useful analysis. We can only thus guess at the financial activities of the Government-owned companies and what their assets and liabilities are. For example, we know that the Economic Development and Employment Company, which was incorporated on 11th June 2012 and which I believe is owned by the Gibraltar Development Corporation, receives annually £11.8 million from the Gibraltar Development Corporation. But that is all we know. No financial information has ever been filed at Companies House. We do not know what this company does with its money. There are major Government companies – such as Gibraltar Investment (Holdings) Limited, Gibraltar Joinery and Building Services Limited, GAR Limited, Gibraltar Residential Properties Limited and Gibraltar Car Parks Limited – about which no current financial information is available. I appreciate that if the Chief Minister is giving an undertaking that all these will be filed by December I will be the first one to thank him for it.

Mr Speaker, he deploys rather a bizarre argument as to why property is somehow better off in a corporate structure as opposed to the Improvement and Development Fund. He seems to argue that if somehow the properties are in the Improvement and Development Fund and not within a corporate structure they are not going to be maintained. What sort of argument is that when the Government owns the company? It is ridiculous and it is not an argument for using corporate vehicles. I note that this coming year, 2019-20, the Government intends to increase the contribution to Government-owned companies by 20%, or £5 million, to £30 million. We still do not know the names of the recipient companies; nor indeed have we heard a reason for the

increase. This is really an impossible situation and again undermines the ability of this Parliament to scrutinise Government, which is what we are here to do after all. When he says, 'Oh, and all these Government companies will be on the website,' why can't he bring it to this place? Why does he put it on his website? Why can't he bring it in here, then we can have a proper debate on it? What is the Sports Complex doing in a corporate structure anyway, when I thought it was in the Improvement and Development Fund? It makes no sense. But he admits that these entities do not need any votes in this place, this place is redundant, he can do everything from the corporate structure – he can put £1 in the Consolidated Fund and not bother turning up to have a Budget debate. We really have to stop this.

Mr Speaker, last year the Chief Minister treated us to a fantastic overview of Sir Joe Bossano's principles on managing the economy, obviously because the Chief Minister has none of his own. None of Joe Bossano's principles do I disagree with. Those principles were, namely: sustainable development of our people and land; not to borrow to repay recurrent expenditure; borrowing needs to be properly financed and invested in capital projects that are self-sustaining; and lastly, we should accumulate funds in pots where they are available to Government in the event of a rainy day. I find those principles entirely agreeable; I have no problem with them whatsoever. However, we shall see that the Chief Minister has actually breached at least two of those principles.

Turning to the Estimates Book and the Appropriation Bill itself, my colleagues will speak in detail as regards their respective areas but I will talk about general trends. Last year, I pointed out that recurrent expenditure as a proportion of income was on an upwards trend. The outturn for income for the year past, 2018-19, rose by 11% compared to the previous year and I think sets a new record for the highest level of income, and so the ratio of expenditure to revenue was only 88% although it was originally forecast at 96%. And last year the Chief Minister stated that revenue was nearly always under-forecast to provide some headroom, and he has repeated that assertion this year. But the revenue forecast for 2019-20 is only 1.4% less than last year's, which was in fact a high water mark. Recurrent expenditure for 2019-20 is set to increase by 8%, or £52.6 million, to £676.4 million, which as the Hon. Leader of the Opposition has said already, represents £56.4 million per month. That would represent a ratio of expenditure to revenue of 97%.

We never want to find ourselves in a Budget deficit where we spend more than we earn in revenue. I think the Father of the House is pretty clear on that point. Other territories, such as Bermuda, fell into that trap and are still trying to extract themselves from the consequences. To avoid that, what we need – and I think the Father of the House has already alluded to this – are sustainable revenue streams and good management of our expenditure.

The Government this last year, 2018-19, benefited from extra Company Tax revenue of £33½ million and Income Tax of £16½ million, bringing in an extra £50 million over the original Budget. As the Father of the House has already pointed out – and I must say I did not copy this – Company Tax is obviously dependent on profits and Income Tax on employment levels. Both of these reflect the state of the economy and are obviously not guaranteed. Sir Joe has already eloquently explained this point and also that GDP does not necessarily translate directly into Government revenue. I sincerely hope the Government in its Brexit planning has included the effects on this Budget should there be a negative shock to the economy come October. Sir Joe Bossano I believe has just given us his prognosis and his health warning. I can only concur.

Mr Speaker, given Sir Joe was expressing misgivings about expenditure running at £50 million a month, I hope he is satisfied that £56.4 million a month for 2019-20 is sustainable. If he is not, then I would invite him to do a Minto and vote against his Government's Budget, or at least abstain, otherwise he will forever be an accomplice to it. We are voting against this Budget because we have no ability to assess the true financial position, given the incomplete picture in these Estimates. Sir Joe, on the other hand, will have access to the true picture and can form his own view as to what is realistic and what is fantasy. Sir Joe's party political broadcast last Friday was a call for caution in the way we manage our public finance and I endorse that view

wholeheartedly. We all know that Sir Joe should have been appointed Finance Minister in this Government and not his erstwhile unworthy former apprentice. Gibraltar deserves better and would be served better by Sir Joe.

And so, Mr Speaker, in announcing a record surplus of £82.8 million in the Consolidated Fund by excluding the £100 million or more cost of the schools, the Chief Minister is creating an unrealistic picture of its financial performance.

Last year, I noted that the Community Care contribution for 2018 was not the usual £20 million but had been cut by 25% to £15 million. At the time I only had information available to me showing the annual cost in 2014 was £16 million. I now know that at June 2017 it was running more at £20 million per annum and thus the 2018 contribution did not cover its annual cost by £5 million. This year the Government is contributing £25 million, which in effect is just making up the shortfall for 2018 and covering its costs for 2019. There will thus be no significant increase in Community Care's reserves, other than the windfall announced this morning, as I will discuss later.

Of concern is the 30% increase in the contribution to the Improvement and Development Fund from a forecast £43 million to £56.5 million. It is just as well that we had extra income in 2018-19, because capital commitments cannot just be avoided.

After all expenditure and despite the record announced surplus, the Consolidated Fund in 2018-19 in reality only increased by £1.3 million, which I think is the figure to focus on, representing a minimal increase in cash reserves.

The Improvement and Development Fund had to have an extra £13.5 million contribution from the Consolidated Fund in 2018-19. The reason for this was a shortfall of £1.1 million in revenue and around £12.4 million in extra project and equipment expenditure. I am concerned that for 2019-20 the Government is estimating revenue of £75 million from the sale of Government property and other premia in the Improvement and Development Fund. This would represent 92% of the revenue of the fund for 2019-20, which of course reduces the need for a significant contribution from the Consolidated Fund. But of this amount £54 million represents the sale of old MoD housing stock and I am slightly concerned because I am already hearing that, although probably they have all been tendered for and allocated, some purchasers might have problems completing, given they are probably in a property chain. Again, we do not know what will happen with Brexit or how the property market may or may not be affected, but if these sales do not generate the cash that is anticipated then obviously the Consolidated Fund will have to make up the shortfall in what may be a difficult period for Gibraltar.

Mr Speaker, I have already pointed out that, according to the figures, no money was spent on the new schools in 2018-19 and again we have a token number of £1,000 for 2019-20, which we all know is, frankly, nonsense. I would like the Government to explain exactly how the schools are being paid for. Where is the money coming from for the schools? In the Improvement and Development Fund there is no provision for the £20 million waste water treatment plant, other than £1,000. The one project that is recorded in the Improvement and Development Fund is the 2019 Island Games, which is unsurprisingly already significantly over budget. There is nothing about the Grand Parade car park and nothing in respect of the theatre, and nothing in respect of the Chief Minister's cryptic comment about demolishing the Queen's Cinema for car parking on the *Direct Democracy* programme. I cannot actually see anything in respect of the affordable housing projects announced for Hassan Centenary Terraces or Bob Peliza Mews, other than £5.5 million for infrastructure and £4.5 million for Eastside revetment works. What are these projects going to cost? Just one of them I estimate could cost some £200 million. My other question was: where is the money coming from? Well, the Chief Minister may have given us part of the answer to that question this morning. I will speak more about that later on.

I asked last year about Brexit contingency funds, and other than an amount of some £200,000 under the office of the Deputy Chief Minister for 2019-20 I do not see any substantial provisions. Where is our buffer for Brexit? Sir Joe is correct in saying that now is the time to build up our rainy day funds. He admits that the Savings Bank will not reach its manifesto target

of £70 million by 2019-20. It is now estimated to reach £48.7 million, which will be short by £21.6 million, or 30%. As I said last year, I do accept that this is truly a rainy day fund and it is accessible by the Government at any time.

2395 Turning to Community Care – and I do apologise if I have upset anyone with my persistent questions but they were important for me to establish the amount of reserves held, the annual costs and the availability to Government ahead of Brexit – I am pleased to see that the trustees have now filed accounts to 30th June 2017 with the Charities Commission, for which I thank them. From these accounts I was able to establish firstly that the reserves in 2015 were in fact closer to £80 million than the £100 million reported in the GSLP-Liberal manifesto. Sir Joe I think 2400 has conceded that his numbers were an estimate at the time, given that he did not have the accounts available to him then, an explanation I fully accept. But in addition, as at 30th June 2017, the annual costs were running at £20 million. This has meant that the annual contribution made by the Government in the last four years has not really resulted in the accumulation or build-up of a large surplus. In fact, its reserves in 2017 are around £89 million and are thus 2405 unlikely to be anywhere near the GSLP-Liberal manifesto commitment of £230 million by 2019-20. However, given the Chief Minister’s comments this morning, it may be that due to his windfall they might actually get closer to that number than I had originally anticipated based on purely Consolidated Fund surpluses.

Mr Speaker, I know the Chief Minister will want to listen to this. GCC Investments has, as we 2410 know, made a loan of £85 million or some similar type of investment subsequently of which neither the trustees nor the Chief Minister are willing to disclose the beneficiary. I will accept the Chief Minister’s word that it is deployed on some matter of national importance or sensitivity which will in due course and at the right time be disclosed. I do not and have not doubted the trustees’ handling of the funds of Community Care, despite the Chief Minister trying to put false 2415 words in my mouth in respect of my correspondence with the Principal Auditor. But if the reserves of Community Care are deployed on some matter of national importance, then it cannot logically be available as a rainy day fund, unless of course it is highly liquid and can be converted into cash. In any case, in theory this is not money available to the Government on demand, or rather available to the trustees to meet future expenditure of the trust. And so, 2420 Mr Speaker, Sir Joe’s fourth principle, in respect of rainy day funds, is not truly being respected.

When the GSD left office in 2011 the Government had £234 million in official reserves and a net direct debt of £285 million. This Government, for 2020, is predicting official reserves of £136 million and a net debt of £296 million, not including all the indirect debt they have been piling up. Mr Speaker, we really need to be in a stronger financial position.

2425 Talking about debt, the official gross debt of the Government of Gibraltar is £447.7 million, which is made up of £247.7 million of debentures held by the Savings Bank which have no fixed maturity, and £200 million of bank borrowing of which we have heard this morning. The bank borrowing, from the last information available to me, is provided £50 million by NatWest which matures in March 2020, and £150 million by Barclays maturing in a tranche of £100 million in 2430 October 2019 and a further £50 million in June 2020. I was pleased to hear from Sir Joe in answer to Questions that Barclays have indicated that they will consider renewing the £100 million in October, but I was at the same time somewhat ... I will not say the word ‘perturbed’, maybe ‘concerned’ that if for any reason this financing cannot be replaced then effectively the Savings Bank would be underwriting it and effectively increasing their exposure to 2435 the Government. But of course this is in line with the Government policy, or Sir Joe’s policy, that the moneys in the Savings Bank should be employed in matters of national interest.

Every year, I try to quantify the indirect debt and this year I came up with some calculation which I will have to amend following the Chief Minister’s announcement this morning about what he has done with the 50% of the Government equity interest in the affordable housing 2440 schemes.

We know about Credit Finance’s £400 million by way of preference shares from the Savings Bank. We know – I think, unless it has changed – that GCP Investments had £16 million

borrowed from Gibraltar International Bank secured on Government property. We know that ES Ltd has liabilities of £78 million, despite the Chief Minister saying the facility had only increased by £3 million, from £55 million to £58 million; there is obviously something else there that the company has borrowed and therefore I will use £78 million secured on the power station. Gibraltar Capital Assets Limited: £300 million loan notes secured on six housing estates. That adds up to £794 million in addition to the official gross debt of £447.7 million, which would take us to a gross debt level of £1,241.7 million at 31st March 2019.

Mr Speaker, I have made this calculation on a best-estimates basis and in good faith. I was promised by the Government an analysis of all external debt held by Government companies only a couple of weeks ago, but that has not been provided to me so I do not know if any other company has borrowed any more money; so, subject to what was announced today, I have no other ideas as to what the level of Government borrowing through corporate vehicles is and I am going to have to ad-lib a bit here, given the announcement that was made this morning.

The Government has announced this morning that it has put together a new scheme. I use the word 'scheme' as some general term because I do not really know what this is yet, because I have not really got sufficient detail. I asked the Chief Minister a direct question on 30th May 2019. I said:

Mr Speaker, can the Government advise if it is seeking to raise new borrowing via either a securitisation programme or mortgages of property held by Government-owned or Gibraltar Development Corporation owned companies?

And the answer was:

Mr Speaker, no, sir.

I thought I was quite clear in my Question. It may be that we have got to play *Animal, Vegetable, Mineral* to the *n*th degree to get a straight answer, but on 30th May the Chief Minister was telling this House that he had no intention of borrowing anything. In his usual attempt at financial magic – which he fails miserably at most times – he is calling this the sale of the 50% to a company. Mr Speaker, again I regret I do not have a whiteboard with me. It is a pretty complicated structure and I commend the financial minds that put this together because it is certainly impressive. (**Hon. D A Feetham:** Fiendish minds.) Very fiendish, Mr Speaker. (*Interjection*) Only the best, Mr Speaker! (*Interjection by Hon. Chief Minister*) I have questions about this structure, and I know the Chief Minister has offered a briefing for Members of the Opposition in the future, which I am sure we will discuss and probably take up, but I would be grateful in his response when he replies at the end of this week if he could explain a couple of things for me.

First of all, he talks about the loan notes that have been issued, but nowhere has he actually said what is the monetary value of those loan notes. He talks about £165 million of 50% interest in the affordable housing projects – Waterport, Cumberland, Bay View, Nelson's View and Beach View – being sold into this new company, GIC Limited, which incidentally, in case he forgets, was incorporated on 25th May 2018. I think he could have given me a straight answer to my Question at the end of May because this structure has obviously been in the pipeline for some time.

The way this structure works is the 50% interest ends up in GIC, which issues redeemable preference shares up to this other entity, Eruca Investments Limited – who dreamt up the name I do not know, but they could have come up with something a bit more simple – which in turn is owned by another entity, Eruca Holdings Limited, which in turn is owned by a UK company, Prudential Trustee Company Limited. Mr Speaker, I have come across that company before. That is the same trustee company used for the mortgaging of the six housing estates, as I am sure the Chief Minister will acknowledge.

But whereas the Chief Minister says, 'Don't worry, there is no security or mortgage of any real estate interest in Gibraltar, nor has the Government given any guarantees,' can he answer me this: are there any option agreements, the same as last time? Is there an option agreement on the loan notes, where they can put them back to the Government if anything goes wrong? Can he answer that?

Can he also tell us what the term of this loan is? Is this a 30-year facility? What is it? How long do these loan notes go out for?

Are the loan notes fixed rates for an indefinite period or will they change after three years? He says this rate is fixed for the construction period but then that begs the question: what happens after the construction period? Is there any change? I do not know.

He talks about the wider deal: what is the wider deal? He has been very clever in saying, 'Oh, I put in £165 million of assets,' and automatically people think of the last number they heard and they say, 'Oh, it's only £165 million of borrowing,' but it is not, because if he borrowed £300 million last time I would be tempted to bet he has borrowed £300 million again. He says, 'It's great, we are releasing all this liquidity' – well, Mr Speaker, it is a bit of alchemy because he has turned an illiquid asset by his own admission into a liquid one. But how? How has he done this? We all know that people will buy their 50 per cents when they want to. There is no set redemption schedule for people to buy their 50%, so where is the cashflow coming from? How are they going to pay the interest on these loan notes? They are not going to be getting it for free. They are not going to wait forever for people to buy out their 50%. Something is missing, Mr Speaker. What is it? What is it that we are not being told?

He may be right, there may be no security or mortgage or any real estate, but when I did the search over lunchtime there is in fact a mortgage, a debenture and a charge over Eruca Investments, which owns redeemable shares in GIC Limited, so there is. This is a lending structure, a borrowing. This is not a simple sale of property, this is a borrowing structure, and as he said this morning, this is something they will be using in future to finance other 50/50 schemes. But Mr Speaker, can he not be honest with the people of Gibraltar and with this House and just say, 'Look guys, we've borrowed another £300 million because that is the only way we can pay for what everybody wants'? Everybody wants affordable housing, but how are you going to pay for it?

It is very easy – as the Father of the House said this morning, economics is a serious sum game if you spend what you bring in and you spend what you borrow. But it is very easy to borrow and spend if you do not have to pay the bill later. The Father of the House this morning was saying we have to be cautious, we have to responsible, but this morning the Chief Minister stood up and said, 'Well, hey, guys, you know what? I've borrowed some more money. Don't worry about it.' Mr Speaker, that is not good enough. What I would like to hear from the Chief Minister is: how much has he actually borrowed from whom, what is the term of the loan and how are they providing liquidity into this structure? Has he got another mysterious housing allowance such as was invented for Gibraltar Capital Assets Limited so it could pay the interest on its loan notes? Very clever, Mr Speaker; I am sure it is. Again, when he says 'Oh, no, we sold it,' well, I am sure there are a lot of people out there who may be pretty upset at the fact that their 50% has been sold without so much as a by the way – because this was not in their manifesto either. Where did they say, 'Oh, by the way, we are going to sell your 50% as well'? Is that not deception?

This Government is short of money because they think it grows on trees. The Father of the House knows it does not; others think it does. Mr Speaker, this is a debt of this community and this community deserves financial honesty, it deserves the truth. I can see part of how this works, because Gibraltar Residential Property keeps a £1 non-redeemable share in GIC Limited, so once you have paid off all the redeemable shares you get your property back because you are going to be the only shareholder left. Very clever, Mr Speaker, excellent. But what are we trying to do? What is the object of all this? And for the Chief Minister and others to say, 'Debt levels

are down: look at this wonderful chart I'm publishing' ... But what about this? What about the £300 million? This is not good enough.

2540 If this is the way they want to run Government, frankly we may as well all go home because there is nothing in this Parliament that we are required to do. Mr Speaker, don't you find it perverse that if they have to enter into a loan agreement they are meant to present it to this House and if they have to get an overdraft facility they have to come to this House, but 'No, it's not a problem, we'll set up an SPV, we'll borrow £300 million, we don't have to go to
2545 Parliament'? Is that really what our Constitution envisaged? Is that really what we are here to do, basically just listen to whatever the Chief Minister announces because he feels like it? And where does he think he gets the authority from to do those things? This House has not even voted on it. He may have a Government majority, but he has not even bothered to put it to a vote. There may be Members on his side who would not do it.

2550 This is, frankly, incredible, and it just gets worse because he still has not told us – despite, how long is it now, almost three years – what he did with the £300 million he borrowed in the first place. We know he only got £275 million of it net, he gave £13 million of it to the Gibraltar International Bank – (**Hon. Chief Minister:** Not 'gave'.) well, invested, okay, I will grant him that – through the Gibraltar Development Corporation, and he is now proposing a £50 million loan
2555 for the Victoria Keys reclamation. But when you deduct those from the net £275 million, that still leaves 195 million quid, so what did he do with it? He must have spent it, because otherwise why go out and do something as clever as this? If that money was still lying around, surely the first call would be, 'Look here, let's not do something more, because this is going to be expensive, let's use what we've already got.' He has to answer these questions. He cannot just
2560 keep on avoiding them. What has he done with the remaining £195 million? If he is going out to borrow more, logically he has spent it. Doesn't he think we are entitled to know what he is doing with the people's money? Or does he really think that nobody really cares?

I was really interested to hear, coming on to the £50 million they are going to lend for the reclamation, that he has given an option for the developer to buy his bit for 25 million quid. I
2565 sincerely hope that the developer paid a premium for that option. I am sure lots of people would love to have the option to buy that amount of land at that price. To have an option at zero cost frankly I think would be ridiculous and I would like to hear what he has to say about it.

The Sinking Fund only had £15.4 million in it, and again, as in prior years, the Government really does not seem to have a debt management plan.

2570 Returning to the famous £300 million, one of Sir Joe's principles was that borrowing needs to be properly financed and invested in capital projects that are self-sustaining. Since borrowing that *huge* amount of money, the interest over those three years is around £34 million which has been incurred and has had to be paid. So, according to Sir Joe's principle, the money borrowed should have or will have generated at least £34 million in income to make it self-sustaining.
2575 Where are these projects? We have only heard of, as I said, the £30 million one in the Gibraltar International Bank and now the Coaling Island one, but what about the rest? What did he do with the rest to meet Sir Joe's principle? I think, on that score, without giving any explanation he has failed.

Mr Speaker, it is difficult to preach efficiency to the public sector when the Government is
2580 being so reckless in the rental of private office accommodation. I mentioned last year that there were examples of, or at least one example I know of, empty office space which was available while Government Departments were being moved into the World Trade Centre. Now I hear the Attorney General's office may be set to move to the recently vacated former offices of his law firm and of course I will be asking for more information about this in the future. There does not
2585 seem to be a coherent plan for the management of Government offices. Instead of moving into expensive private sector accommodation, the Government's existing office stock should be renovated, improved and, where possible, consolidated.

The Gibraltar Health Authority is the largest expenditure item again this year and no doubt will continue to be. We need to do what we can to maximise value for money being efficiency,

2590 economy and effectiveness, although of course I appreciate this is never going to be easy in respect of healthcare. *(Interjection)* Yes.

The Minister for Culture would feel neglected if I did not at least give him a mention. I am happy – yes, Mr Speaker, I am actually happy – to see that the 2018 Music Festival is estimated at a net cost of £2.3 million, only £1.6 million over budget as opposed to the 2017 Music Festival
2595 where the net cost was £3.1 million and £2.6 million over budget. I guess that is an improvement of sorts. The cumulative cost of the GMF is now at least £11½ million and counting, which is more than the initial set up cost of the University – just to put it in perspective.

Linked to efficiency is investment in IT and the recently published Principal Auditor's report for 2015-16, in what was a value for money audit, has, from my reading of it at least, been highly
2600 critical of the rebranding of the Government service, development of the Gibraltar Government website and other IT projects. I trust that the Government will have taken on board the Principal Auditor's findings and recommendations.

Talking about the Principal Auditor, his report for 2015-16 was only just tabled on 30th May 2019, last month. This is no fault of the Principal Auditor but that of this House. This House has
2605 not passed the supplementary appropriations in time and the blame for that must be with the Chief Minister wearing his hat as Finance Minister. The Principal Auditor's report informs our understanding of financial issues which we need to be made aware of well in advance of Budget debates. For example, as regards the Sinking Fund, he writes that it received £5 million from the sale of a Government property at 7 Mons Calpe Road to Gibraltar Land Holdings, a transaction I
2610 might have wished to examine more closely ahead of the Budget debate.

More worryingly, the creation of a Government Insurance Fund is discussed following what is said to be a Government decision in 2014-15 to self-insure. Moneys were transferred to a deposit account pending the establishment of a special fund entitled Government Insurance Fund – which to date has not been established. Two and a half million pounds has been paid in
2615 and £1.3 million paid out. The Principal Auditor wrote the following:

I informed the acting Accountant General that I considered the way these transactions had been accounted for, via a deposit account, to be improper, as evidently these transactions are not fully disclosed in the public accounts of Gibraltar. At the close of this report the Accountant General had not replied to the queries raised.

How can that be, Mr Speaker? I will certainly be following this up and I will be asking about it at the Committee Stage. There is a provision for 2019-20 for a further payment of £½ million within the Treasury head under other charges. I am, frankly, shocked that this is not being done properly in accordance with the Public Finance (Control and Audit) Act and sincerely would like
2620 an explanation.

The Principal Auditor also draws significant attention to the depletion of the Statutory Benefits Fund, which the Chief Minister this morning said would now have a £4.3 million surplus, but the Statutory Benefits Fund is not included in our Estimates Book, even though in the past contributions have been made to it by the Consolidated Fund under the Social Security head.
2625 This last year £7 million was paid and for 2019-20 it is expected we are going to pay another £7 million. I do not see why we cannot have similar information as, for example, for the Social Assistance Fund, to see where we stand. The Principal Auditor was really quite concerned about the rundown in the Statutory Benefits Fund and I think it should only be right when we come to the Budget debate that we know what the financial position is of the Statutory Benefits Fund and what expenses it is paying out. I appreciate fully, and the Father of the House would
2630 probably point this out to me, that it includes the direct contribution of social insurance that does not go technically into the Consolidated Fund. I fully accept that, but the fact is that it is a liability, in the end, of the Consolidated Fund and I think we should at least have that included in the Estimates Book so we know where we stand.

2635 Finally as regards the Principal Auditor, on his new website – which I really must congratulate and recommend to members of the public – he lists a whole series of financial audits that have been completed but have not been published. And why haven't they been published? Because

they have not been tabled in this House. He lists the Borders and Coastguards Agency for 2011-12 and 2012-13; the Care Agency for 2010-11, 2011-12 and 2012-13; the Gibraltar Health Authority for 2009-10, 2010-11 and 2011-12; and the Housing Works Agency for 2011-12, 2012-13, 2013-14 and 2014-15. These accounts might contain information that would inform us in our Budget debates. I do not understand why there is a delay in tabling these reports and I really would like to know who is responsible for withholding them from Parliament. Who is sitting on them? The Principal Auditor has a very important role to play. We must ensure that he has the resources that are necessary to undertake his work and we do not hinder his work by delaying supplementary appropriations or tabling completed accounts.

Mr Speaker, on an aside, when we talk about accounts – and I know the Father of the House will be issuing his statement to depositors in which he says, ‘Look: I always make it very clear, every year, what I am doing with your money’ ... Well, then, I am sure he will have no problem including the statement of investments with it this year, which has always been missing in previous years, and in fact the way to do it is to use exactly the same accounts as the Principal Auditor publishes on his website, which has all the information available. And so I do not see why he cannot include that with his nice, glossy brochure. Since the Principal Auditor is going to publish it anyway eventually, he may as well provide the public with all the information. Just to say, ‘They know what I am doing’. ‘What’s the problem? They know what I’m doing with their money,’ well, just give them the statement of investments and they can see it for themselves as well.

Mr Speaker, ‘Inwards Investment’. It is understandable that attracting any significant inwards investment is going to be difficult until we get some clarity on Brexit. As last year, I again commend the Father of the House for his continuing efforts in engaging with Chinese banks, construction groups and investors. The China Belt and Road initiative has, I think we have all read, faced some criticism recently, but frankly, if Italy is willing to participate I do not see why Gibraltar cannot, (**A Member:** Hear, hear.) provided of course we put in the appropriate safeguards, especially in regard to 5G. I do not know which contractor the Father of the House is thinking of, but there is obviously controversy with certain suppliers.

Mr Speaker, we know now that the rock storage pile at Coaling Island is being given a new name and is to be called Victoria Keys, and we now know that the financing is going to be somewhere in the order of £50 million provided through the Government through some Government company which he has not identified, and we do not exactly know what the commercial terms are either. I ask myself: why didn’t the Government do this reclamation itself? He said it has been done before from corporate structures, but if you are going to be providing the financing of £50 million, you may as well just do it yourself and employ a contractor and then keep all the land for yourself. Why are you doing it in this strange way? What investment is the developer making at this stage? It is all very well to say it is fully secured, but how do you secure on something that does not exist? Until the reclamation is finished you do not have an asset and if they cannot finish the reclamation work, what are you going to do? You would have security of water – fantastic! (*Interjection*)

Mr Speaker, it would appear there would only be two major sites left for development, which are the old Rooke site and the land underneath the rubble mound on the Eastside. I know my colleague the Hon. Trevor Hammond will talk more about this, but we need to ensure that these sites are developed sensitively and, from an economic point of view, generate sustainable activity for the enjoyment of future generations.

The announcement about the cannabis ... I do not know what to describe it as: cannabis farm or cannabis production facility – cannabis proposal, shall we say. I would also like to know more about exactly what is involved and how much money is going to come into Gibraltar as a result of this proposal. There will be members of the public who will raise their eyebrows as to the suggestion of Gibraltar producing some kind of cannabis product. It may well all be commercially sensible, there may be good rationale for it, but I think the people of Gibraltar may want to know more about what is intended because it does beg the question as to what is actually the

2690 proposal. I am sure not just the Opposition but the general public will want to know more about what it is that is planned.

Mr Speaker, talking about the growth in jobs, what a fantastic result the Government has had in growing jobs. It happened last year when they made the same kind of announcement. They said, 'Fantastic, great, growth in jobs' – 1,966, according to the Employment Survey, which we obviously only get on the day of the Budget, but of those 1,966, 98 are Gibraltarians and 1,226 are Spanish and presumably cross-frontier workers. I think the Government should be a little more careful before they pat themselves on the back when it comes to growing employment in Gibraltar.

Turning now to some of my other portfolios, being small business, telecoms and heritage, as mentioned, for the last two years business licensing continues to be an issue needing simplification as regards business premises requirements and other things. I am pleased to note the announcement this morning that there will be a new Fair Trading Act, which has been discussed and seems to have the support of the Federation and the Chamber. We need to reduce obstacles to business and of course provide encouragements and not disincentives, and so, certainly from this side of the House I can only welcome such a measure.

The introduction of private sector pensions is now a Bill, but it has been altered significantly from the original consultation paper. The Chamber of Commerce has recently expressed its disappointment that its recommendation appears to have been ignored by the Government. I have reached out to the Chamber, the Federation and Unite, and hopefully with their feedback I will make some constructive contribution when the Bill is debated in this House so that we can balance interests while meeting the desirable objective of introducing pension requirements in the private sector. *(Interjection)* Have you? Shame! Damn! *(Interjection)* All I have been doing ... Okay, well ...

Telecoms, Mr Speaker. Mr Speaker, we saw the retirement of Tim Bristow as CEO of Gibtelecom last year and, as the Chief Minister did this morning, we wish him well, as does the whole House, I am sure.

Gibtelecom's December 2016 annual report was only finalised in March this year and I have now had an opportunity to read it. The company, in a substantial subsequent events note to the accounts, describes the creation of a data centre hosting business and the expansion into Spain via a company called Zinnia, trading as Lobster Mobile. I understand that this may involve an investment of as much as £5 million. It is stated in the accounts that they were delayed due to a technical question as to the treatment of annuities purchased by the GNC Pension Scheme. I note that this has now been resolved satisfactorily and I trust that the 2017 and 2018 accounts will be audited and released soon. The financial performance of Gibtelecom is not just important to us as a community, but of course it is very important because the Savings Bank owns its entire share capital and it is thus a significant investment and a source of dividends.

Mr Speaker, talking about heritage, last year I was very happy to work with the Minister for Heritage, along with my colleague the Hon. Trevor Hammond, on tweaks to the Heritage and Antiquities Act and to see that passed in this House unanimously last year. There is still some work to be done, as the Minister is aware, as to the publication of the listed sites website. I understand that is a work in progress and that it will be imminent. There is still much to do on heritage and in that respect, as last year, I would like to learn more about works planned for the Moorish Castle as well as perhaps for the Mount. We heard from the Deputy Chief Minister as to the investment on and cleaning up of the Northern Defences and I can only agree with him – I think it is an asset which we have been sat on for too many years without it being given proper recognition or investment and I think, having walked around there myself on a guided tour with the Heritage Trust, it is a remarkable place. I think few in Gibraltar fully appreciate the history and the potential of the place and obviously I can only welcome anything that enhances the development of that site in a sensitive way.

2740 It seems you have all lost your bets, Mr Speaker! *(Laughter)* In conclusion.

Hon. A Member: You were longer than me, basically.

Hon. A Member: I will take longer than you.

2745

Hon. R M Clinton: Well, at least the feeling is mutual, although I always bet on Sir Joe.

Mr Speaker, in conclusion – *(Interjection and laughter)* *Game of Thrones!* *(Laughter)* The White Walker! *(Laughter)*

2750

Hon. D A Feetham: Stranger things have happened!

Hon. R M Clinton: Sorry, Mr Speaker, I think we are all conscious of the time.

Hon. D A Feetham: The grand alliance! *(Laughter)*

2755

Hon. R M Clinton: It has been a long day, Mr Speaker, but in conclusion, after participating in three years of Budget debates in this House it is evident to me that, frankly, the financial information presented is insufficient to form a view and thus it would be irresponsible to approve any Appropriation Bill without full and frank information. As I said last year, the lights are not going to go out, the schools will not close and people will not die just because we in the Opposition have exercised our right to vote against the Appropriation Bill.

2760

This is an election year and I pledge that if the GSD is elected into government – *(Interjection)* I wonder if he would like to take bets on that – we will review the Budget process and the information provided and we will introduce a proper Finance Bill, as I have advocated. This House needs to be responsible and manage taxpayers' money in an open, transparent and honest manner – words, frankly, that this GSLP-Liberal Government simply does not understand.

2765

Mr Speaker, I am now even more resolute in my position given Sir Joe Bossano's warnings about what may lie ahead and thus I have no hesitation in voting against this Budget.

Thank you, Mr Speaker. **(A Member: Hear, hear.)** *(Banging on desks)*

2770

Hon. Chief Minister: Mr Speaker, it has been a long day and the Force awakens to adjourn to tomorrow at 10 o'clock.

Mr Speaker: The House will now adjourn to tomorrow morning at 10.

The House adjourned at 9.28 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.01 a.m. – 12.47 p.m.

Gibraltar, Tuesday, 11th June 2019

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The Gibraltar Parliament

The Parliament met at 10.01 a.m.

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

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

Appropriation Bill 2019 – For Second Reading – Debate continued

Clerk: Tuesday, 11th June 2019 – Meeting of Parliament.

Bills for First and Second Reading. We remain on the Second Reading of the Appropriation
5 Bill 2019.

Mr Speaker: The Hon. Dr John Cortes.

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

I rise for my eighth Budget speech conscious that being the last one in the electoral cycle it could conceivably be my last. While resisting the temptation to summarise the accomplishments of this latest part of my life's journey, I must however comment very briefly on how different Gibraltar is today from an environmental perspective. In 2011, all you could recycle here was glass. There was virtually no climate change awareness, no possibility of a Parliament even debating let alone passing a motion on the climate emergency. There was heavy pollution from the old diesel power stations, with frequent power cuts due to insufficient generating capacity. There were hundreds fewer trees, the Barbary partridge was going extinct and there was no Commonwealth Park.

Mr Speaker, 2018-19 was an extremely busy year for the Department of the Environment,
10 Heritage and Climate Change. It was a challenging year. An immense amount of time and work were devoted to environmental planning and contingency in the context of Brexit. As a result, two officers of the Department have been working almost exclusively on Brexit, with support from many others. This is quite apart from my own involvement in reviewing documents and chairing the joint working group of UK and Gibraltar environment officials both here and in
15 London, a process not yet concluded. This has affected progress in other areas but we have nevertheless been able to push through on key issues and embark on new initiatives. I am most grateful to my extended Brexit team, which includes people from other Departments, agencies and beyond, for their efforts and determination. As a result, we are ready for Brexit if it unfortunately happens, and will ensure, as I have stated before, that we continue to use EU
20 environmental targets as our minimum standards and without any decrease in our quality of life. Among the work that has suffered as a consequence of this is our 25-year environment plan, but I am confident this will be finally launched in September.

As I stated during the climate emergency debate, we have a real chance in Gibraltar to achieve carbon neutrality and our intention is indeed to achieve this. Despite the tiny impact this
25 will have on a global scale, we can but do what we can and we can certainly be an example to others. Much has been done already. Emissions from power generation have reduced by 21%

since 2013; and LNG, which produces 25% less carbon than diesel, will continue to produce a further drop. Green procurement, solar panels for both hot water and energy generation, an unprecedented amount of environmental legislation and more trees are other examples.

30 Existing commitments by Government, as announced by the Chief Minister last year, also include no vehicles fully fuelled by petrol to be registered by 2030 and only electric vehicles by 2035.

The climate emergency declaration of Parliament commits us to encourage other countries and the region to take climate action. This is how we can lead by example, offering solutions to

35 other communities in how this can be achieved. In this and other contexts Gibraltar continues to work hard with our colleagues in the Overseas Territories and will extend this work further.

In relation to the Territories and thanks to intense lobbying for a number of years, Her Majesty's Government of the United Kingdom finally agreed last year to allow Overseas Territories to form a part of the UK delegation to international environmental conventions and

40 conferences of parties. This happened for the first time ever at the 24th Conference of the Parties of the UN Framework Convention on Climate Change, otherwise known as the Paris Agreement, held in Poland in December. The Overseas Territories delegation was composed of Dr Kedrick Pickering, former Deputy Premier of the BVI, and our own Liesl Mesilio as his technical support. The level of exposure and possibilities presented to the team through this

45 high-level access was unprecedented and was achieved largely by Gibraltar's insistence on the importance of Overseas Territories' representation. Indeed, I continue to work with the UK to ensure Gibraltar's inclusion in international agreements, including the Paris Agreement, the Bern Convention, the Barcelona Convention and the extension of the Intercontinental Biosphere Reserve of the Mediterranean to include Gibraltar.

50 Mr Speaker, my scientific team continues to work in monitoring environmental variables and manages many aspects of our natural environment. They are involved in a huge range of activities, both internally and in organising activities and initiatives such as World Environment Day and the forthcoming Island Games associated environmental conference.

The administration section of the Department, among many other duties, manages the

55 contracts that relate, for example, to planted areas. Together with the now fully integrated Heritage and Upper Rock and Beaches Divisions and the Cleansing Section, they are a formidable force for the environment.

We have continued to engage with a wide variety of stakeholders in the public and private sectors, including the Chamber of Commerce, the Gibraltar Federation of Small Businesses, the

60 University of Gibraltar and of course our active environmental NGOs, GONHS, ESG, the Nautilus Project, Sustainable Gibraltar and the Gibraltar Heritage Trust.

This year has seen unprecedented public interest in the environment, in particular sustainability and climate change. New groups have been formed and we have seen the extension to Gibraltar of the School Strike 4 Climate, spearheaded by Iona Sacarello and other

65 very committed students from Westside School, whom I have met on at least four separate occasions. I have nothing but admiration for these young people – and indeed all those who are now worried about the sustainability of our way of life from excessive use of polluting motor vehicles to consuming too much meat – for standing out and being counted. I thank them and all the NGOs for their invaluable contribution towards Gibraltar's environment and heritage.

70 I have one message for our environmental NGOs, one which I think I am entitled to send given the 35 years that I spent in that movement. I am very happy to see them coming forward with campaigns and petitions to rally support for our common cause, but the battlefield has changed since I was an environmental activist – although some remind me, and say that I still am, of course. The enemy is no longer the same; it is no longer an unsympathetic Government.

75 The person you have to convince now is not the Minister for the Environment, nor indeed the Chief Minister, nor indeed the Cabinet. You are pushing against an open door. You are preaching to the converted. Indeed, if they will allow me, in some cases they are preaching to someone who helped convert some of them. The focus now has to be directed elsewhere: to us working

together to gain support from the community, from individuals and corporations public and private, to make those who make commercial decisions that can have wide effect make the right ones and make them in a different way to how they would have done before.

My work with the various environmental and other committees continues, and I would like to thank all those many individuals who sit on committees, councils and boards that I name or chair, for their significant and voluntary contribution to the running of Gibraltar.

This Government leads in environmental governance, something which is recognised beyond our shores and something of which we can be justly proud. Our bold legislative vision on the environment has resulted in letters from international bodies congratulating us for our environmental foresight. As an example, our declaration of a climate emergency resulted, in a matter of hours, in nearly 2,000 likes on Twitter.

Mr Speaker, this Government's term in office has seen an unprecedented level of environmental legislation. We have so far published 173 pieces of legislation which have all led to positive environmental change – in 2019 alone adding ivory, balloons, animal welfare, pet sales, circus animals, dolphinarium, plastics and climate change to the list. This indeed should not come as a surprise, as Gibraltar's first significant environmental legislation came into effect during the GSLP's 1988 term and we have not finished yet.

I have been working on formalising the responsibilities of the Commissioner for Sustainable Development and to ensure we undertake action in pursuit of the economic, social, environmental and cultural well-being of Gibraltar. The Commissioner for Sustainable Development and Future Generations will have a duty to promote, assist and advise on progress made by public Departments and agencies towards a more sustainable future. Over the last year the Commissioner, Daniella Tilbury, has been working to build capability in sustainable development across the community. I am committed to driving change for sustainability across the public service, business and the local community and will, with the Commissioner's assistance, be developing policies to achieve this, such as for example a sustainable catering policy. The Commissioner has also attended various high-level meetings, including expert committees hosted by the United Nations Economic Council for Europe and this representation enables Gibraltar's interests to be visible in international dialogues and fora.

Mr Speaker, I am delighted that there has never before been so much collaboration between Environment and Education, taking environmental education to another level. The Environment Department is actively supporting schools in project-based learning in cycles that form a platform for interdisciplinary teaching and learning, which has effectively embedded key environmental issues into the very core of the 21st-century curriculum. A key example of project-based learning is the incorporation of outdoor experiences such as visits to local sites or businesses. This internationally recognised approach empowers students with the skills and knowledge they require not only for the preservation, protection and improvement of Gibraltar's local environment but in the pursuit of global environmental sustainability. The framework of co-operation includes the Sustainable Schools Core Committee, which also includes the University the Sustainable Schools Working Party, with representatives from all schools; and the Sustainable School Group, which includes teachers, ancillary staff and pupils. Each school also has an eco-committee led by the students. ClimACT is an EU Interreg project which aims to support the transition to a low-carbon economy in schools. The University of Gibraltar, in collaboration with the Departments of Education and Environment, spearheads this project.

Mr Speaker, the tender for the provision of cleaning services and upkeep of public areas was awarded last year to Britannia Management, keeping the Government's commitment to fully protecting the workers. The new contract is considerably more extensive in the number of areas to be cleaned as well as the frequency of the cleaning. The cleanliness of our public areas has improved and will improve further as the proactive collaboration between the Department and the contractor identifies areas where further improvements can be made. The Department's litter wardens continue to work to stop fly tipping and littering. There are approximately 600

litterbins around Gibraltar, so there is no excuse for littering. As part of our strategy we will be rolling out further litter cameras this year and will be adding another warden to the section. We will also be providing recycling bins in the city centre, including Main Street. The Litter Committee continues to meet and advise on litter management, with many achievements that do not always get to the public eye but which are significant.

Moving on to waste management, overall recycling figures have seen a slight decrease in the order of 2% from last year. Considering that the figure had been increasing year on year since 2012, this is not a cause for concern. Part of the reason is the trend to reduce and reuse more, so the third 'R' – Recycle – is expected to drop, which is actually encouraging. We will therefore be embarking on an extensive waste reduction and recycling awareness campaign this year in addition to progressing the new waste facility at Europa Advance Road, to which we continue to be committed and which will ensure maximum separation of waste and increase our recycling ability.

Mr Speaker, I am pleased that despite the complexities in the discussions and design referred to yesterday by the Chief Minister we are progressing on the preparatory work on the new sewage treatment plant which we still expect to be completed in 2020.

It is now well known that plastic in the wrong place and at the wrong time is a scourge on the planet, particularly the oceans. Surrounded as we are by sea, we have to take action and action on this will have a direct benefit on our waters and the life within them. As the Chief Minister has already announced, Gibraltar will be taking steps in implementing an importation ban with regard to plastic bags and other single-use plastic. Whilst certain exemptions will be created to ensure hygiene and safety standards are met, we will prohibit the importation of plastic bags with a thickness of 100gsm or less. In addition, we are taking wider measures to regulate the importation of single-use plastic. The regulations will restrict and prohibit the importation of a wide range of such plastic products into Gibraltar, to reduce litter on land and sea. Most PLA products – the wrongly named 'biodegradable plastics' – are currently produced as single-use items and are therefore also captured.

Mr Speaker, I return to the subject of climate change. Climate change is now affecting every country on every continent. It is disrupting economies and affecting lives and costing people and communities, and will do so even more in future. Weather patterns are changing, sea levels are rising, weather events are becoming more extreme and greenhouse gas emissions are now at their highest levels in history. Climate change requires immediate and ambitious action to prevent the worst effects it can have on people and wildlife. This was reflected in this Parliament's unanimous declaration of a climate emergency, being the second Parliament in the world to do this, coming just a week after a similar motion in the Mother of Parliaments. The climate emergency motion sets out ambitious targets, even more ambitious than those set in the Climate Change Bill soon to come before this House, which provides the legal framework and the binding obligation to this and future Governments to deal urgently with climate change. Together with our 25-year plan it formalises how Gibraltar will tackle its responsibilities in years to come.

Declaring a climate emergency is only the first step: action is required. We are working hard to ensure that this happens. Both the motion and the Bill require strict, accountable reporting. The Department of Environment and Climate Change has already analysed in detail what challenges these represent and what action needs to be taken. It will not be easy but it is achievable. A detailed analysis and plan will be published in the coming months. I have seen the initial work done and I am confident and excited. Based on these recommendations, we will identify Budget implications, but I would like to remind the House that work on climate change is progressing in many different Departments and authorities as part of their core work and so not separately identified by head. And so, work in the GEA, AquaGib, GSLA and in relation to many Government projects, not least the schools and the sports facilities, is making provision for improvements that will positively impact on our climate change responsibilities. In addition, relevant projects such as solar installations are being funded by private investment on power

purchase agreements. However, progress will not need to wait. The Government's own tender project for the phased rollout of rooftop photovoltaic systems across Government buildings, under a power purchase agreement, is now well under way with successful tenderers informed last week. This project is envisaged to produce approximately 3.6MW of solar power. This is in addition to the 3MW solar plant, the first phase of which is already producing power, and the solar panels at the sports complexes, which are expected to generate approximately 800kW of solar power. The installed capacity of solar at the end of 2019 will therefore be over 7 MW. At average production, this is 30% of power consumption, so I am confident that our 2020 target of 20% overall is within reach.

The amendment to the Electricity Act approved by this House recently will encourage private consumers to micro-generate and get credit when feeding into the network. Other projects include the deployment of onshore wind power at two sites. A call for expressions of interest will be published for this project. The Department is also working with the University of Highlands and Islands in Scotland to explore the tidal resource in BGTW and to assist us in expanding our renewable energy portfolio.

Mr Speaker, the LNG plant is close to being fully commissioned, setting us well on the path towards a lower-carbon economy as diesel-powered electricity generation becomes a thing of the past. Already much of our electricity comes from LNG, and Waterport power station is often silent. Work on decommissioning will be done this year at the same time as the former south district power stations and most of the temporary generators are dismantled. A steering committee made up of management and staff with Unite the Union representation is embarked on working together to ensure a smooth transition when GEA takes over the new plant a year after final commissioning. I have to thank all at GEA, including its board, for driving the project and adapting to the change that we are seeing.

Our continuing greenhouse gas inventory programme, as part of our commitments under the Global Covenant of Mayors, helps us monitor and govern our total manageable emissions more effectively. The latest results see that Gibraltar's overall carbon emissions were 10% lower in 2017 than in 2015 and 8% lower than in 2016. Emissions from electricity generation are down 21% from 2013 and, significantly, down 15% since 2016. Emissions from waste are down by 13% since 2015 and 10% since 2016. We now have to tackle other emissions with the same energy as we have tackled power generation.

On air quality, I am of course aware of criticism as to our air quality that we see in social media in particular, but the Chief Minister yesterday revealed very good news on this subject. We have to recognise that we live in a concentrated urban area with more traffic than we would like to have, and that we have a great deal of shipping calling at Gibraltar and even more passing through the Strait and impacting on our air, even though it has no connection to Gibraltar other than the geographical. We also have some industrial activity, which includes Gibdock. And so there are still clearly improvements on which we have to work and on which we are working hard, but we have a duty to acknowledge real progress and there is good news. I can report that last year, 2018, not only were recorded nitrogen dioxide levels EU compliant for the first time ever in all our monitoring stations but also that, for the first time since air monitoring started in Gibraltar 14 years ago, levels of all pollutants, including all gases and particles monitored, were within EU required levels. This is hugely significant. It shows that our efforts are working and gives me great confidence as to our being able to tackle the remaining problems too. Air quality of course is due to improve further when we change fully to LNG and as the solar power increases.

In relation to traffic, Mr Speaker, the STTPP is already making inroads and my Department will this year be working more closely than ever with that of my colleague Paul Balban to analyse the impact of traffic on air quality and assist and support him and his Department in taking further steps to reduce this. This will include rolling out electric car charging points to encourage their use in certain areas, in addition to measures, for example, in private developments announced yesterday by the Chief Minister. Awareness of air quality issues in the community is

at its highest. The Environmental Agency's air quality website continues to provide up-to-date hourly measurements of pollutants. These are reported to the public on a user-friendly website, which increases transparency and demonstrates the work and progress being made. As promised, last year we introduced three new air quality monitors – one at Europort, another at Gibdock and another which was used to measure occupational exposure at the Frontier and is now measuring air quality in Catalan Bay in response to a request from the Village. The data will be made publicly available. I am happy to say that levels detected so far are all within EU acceptable ranges, but most important the results are helping us understand the issues better so that we will be better able to improve the quality of the air that we breathe, which is so important to our health. Given the success in improving air quality in the south, the time has now come to move the air monitoring system at Witham's Road to the north, and we are currently considering the best location. I must stress my full support for the work that has been done by my colleague Paul Balban in implementing the Sustainable Traffic, Transport and Parking Plan and congratulate him on it and on the courage he has shown in improving traffic and the environment. The plan implements policies that reduce traffic and speed as well as encouraging the use of alternative methods of transport.

Mr Speaker, I announced last week during World Environment Day that I will be creating an Air Quality Commission. The Commission will bring together key stakeholders in a common endeavour to understand the facts about air quality in Gibraltar. It will create a forum for sharing concerns and for proposing solutions. By operating transparently, it will help public trust in the evidence and the collective actions taken as a result. I will be announcing further details on this in the coming weeks.

Mr Speaker, it surely is ironic that the largest contributor to improving air quality and reducing our carbon footprint has been and is the Gibraltar Electricity Authority, which I chair. The last 12 months have again seen a huge effort going into the commissioning of the new power station project, the associated new high-voltage distribution centres' infrastructure, the new high-voltage cabling network and the adjacent LNG facility. As the commissioning phase nears completion, to date about 14 million units – kilowatt hours – consumed in Gibraltar have come from the new North Mole power station. The total installed generating capacity at the end of the year continues to be 76.98 MW, well in excess of our maximum demand, so we are very well provided. As mentioned earlier, carbon emissions this year saw a decrease of nearly 6%, from 152,287 tonnes in 2017 to 147,992 tonnes in 2018, a figure that will see a further drop over the next 12 months. The Authority continues to upgrade and expand the network and Supervisory Control and Data Acquisition system used to monitor generation and distribution, thus providing a better and faster response when dealing with now extremely rare power outage scenarios. Improvements to the public lighting network continue by replacing existing street lights with LED and other low-energy lanterns, thus further reducing overall consumption. The GEA is also working with the Port Authority in order to encourage onshore power being made available to ships at berth.

Moving to water, during the past year AquaGib has maintained and improved on its levels of service and performance indicators in respect of the provision of potable and seawater supply and sewerage services. In order to achieve this level of service it has undertaken an expenditure of £12,474,000. AquaGib has continued to invest in capital projects as part of its asset replacement plan aimed at maintaining and improving the water infrastructure assets in Gibraltar. The current approved investment plan is set at £3.2 million over the five-year period to 31st March 2020. During this last period a total of £645,733 was spent on capital projects, which included the replacement of potable and seawater mains, and the replacement of customers' water meters, meter cupboards and meter manifolds, and other work. In addition to this, AquaGib has provided support to Government on the delivery of new infrastructure for many projects, including the commencement of a new sewage pumping station at Varyl Begg estate, new mains for the comprehensive schools at the Notre Dame sites, new mains to facilitate the building of the Lathbury and Europa Point sports facilities, new mains along

Dockyard Road and new sewage pumping stations at Wellington Front and No. 4 Dock. During the period, AquaGib has continued with a long-term project to further develop the potable and saltwater delivery from the Waterworks reservoirs to the Westside area. This project is expected to be completed within the next financial year. Importantly, replacement of old equipment at its reverse osmosis plants will significantly reduce the energy consumed in water production.

Mr Speaker, from water to beaches. We have this year improved the training and supervision of our lifeguards to make our beaches safer. Lifeguard induction now includes first aid, dealing with the public, obligations under the Seashore Rules and the Seaside Pleasure Boat Rules, beach litter, marine pollution, wildlife strandings and, most importantly, training in disability. This year considerable planning and logistical support has been added in order to improve the lifeguarding standards and this includes round-the-clock supervision of the beach service in order to ensure the safety and well-being of all beach users.

As is now expected, the winter and spring storms again caused considerable damage at our beaches. We have had continuous storm damage of varying severity over the past 12 years. As a result, we work with the Technical Services Department on an extensive works programme to resolve this in time for the summer.

A complete overhaul of the Camp Bay public toilet and shower facilities will be carried out this year and solar panels will be installed to provide hot water at the facilities, and this will be mirrored at the other beaches. We have also, of course, to celebrate the opening up of Nuffield Pool to the community with the splendid new seafront promenade.

Mr Speaker, marine surveillance and research have become one of the Department's key areas of research with both the technical section and the Environmental Protection and Research Unit actively engaging in research, management and surveillance, and now include certified marine mammal medics. The Department's scientific dive team has trained up four further officers. The team continues to be instrumental in marine monitoring programmes. They also carry out the regular servicing and maintenance to the underwater camera system, increasingly popular here and abroad, giving its worldwide viewers an insight into the high biodiversity within BGTW and our 'No Take' Marine Conservation Zone. The Marine Conservation Zone, located at Seven Sisters, is proving to be a success with notable fish species such as grouper and pointed nose groupers being spotted by users of the underwater camera. Indeed, as the UK government increasingly indicates its support for marine conservation, its Blue Belt, with declaration of marine conservation zones and looks at the management therein, I will remind them of our own marine protection laws – all the fruit of GSLP or GSLP-Liberal Governments – and of the need to support our laws and the protection of the rich biodiversity of BGTW. The Department continues to liaise closely with local NGOs, clubs, associations and marine users through the Neptunian Network, which was set up in 2017, organising marine awareness campaigns and coastal and subtidal clean ups, with further outreaches planned.

Mr Speaker, the Environmental Protection and Research Unit is going from strength to strength. Over the past year they have engaged with 241 fishing vessels, carried out 113 land patrols, 56 dedicated dog patrols, 38 wildlife rescues, three cetacean surveys, 15 callouts and five oil spill checks.

With the uncertainty of Brexit, the Environmental Agency have been working closely with the Department on issues such as contingency planning on food imports and exports of waste in the event of a no-deal scenario.

The Agency monitors the quality of our bathing waters. Last year, we saw a further improvement to the water quality classification of our beaches. Four of Gibraltar's beaches are now classed as excellent, with one classed as good. These are the best classifications that our beaches have ever achieved. When assessing Western Beach using the four-year average as stipulated in the EU directive, it is still classed as poor; however, based on 2018 results, Western Beach is classed as sufficient and therefore improving. However, although water quality there is better, clearly there are still issues that our neighbours need to address and it also shows how essential the bathing water monitoring programme is.

The Agency has also contributed significantly to the dogs anti-fouling campaign. Since the inception of the DNA testing scheme, 230 samples have been submitted with 22 fixed penalty notices issued to offenders and seven issued to a dog owner for not being licensed. As the programme continues and awareness increases, irresponsible dog owners find new places to take their dogs. We continue to persevere with the aim of further reducing this problem. I take this opportunity to assure responsible dog owners of my support, of our efforts to restore their good name, that we are looking to tackling the problem of dog urine and to confirm that we will be creating a dog park near the Nuffield Pool.

The Agency is the competent authority for COMAH and has had a major input throughout the design and construction phase in ensuring, along with the UK based HSE, that the LNG storage plant and new power station meet the strictest safety standards, which far exceed those normally required by the industry. They will continue to discharge their work as the competent authority once the plant is fully commissioned. The Agency is also working with the Port Department in tightening the laws on emissions from ships, especially black smoke.

Mr Speaker, recently, as Minister for Public Health, I have been working closely with the Agency in assessing living conditions in a number of areas, especially the Upper Town, and together with representatives from Housing, Town Planning and Land Property Services, we are working towards being able to improve these conditions.

The Public Health team, under the leadership of the new Director of Public Health, Dr Sohail Bhatti, though small, continues to be extremely active in public campaigns and engagement across the public service and beyond. They are always there with initiatives and campaigns, making a real difference. The multi-disciplinary CHAMP initiative on obesity last year and on mental health this year are testament to this. Among other work, they are particularly engaged with schools, working towards healthy eating and healthy living, which include healthy tuck shops and plans to prohibit smoking directly outside schools.

Mr Speaker, the management of the cemetery continues to progress well. The appointed contractor for the planted areas within the grounds has been very well received and is providing the much needed ongoing maintenance. In addition, over 100 trees have been planted on the site to provide shade. The long overdue legal overhaul to the Cemeteries Act, regulations and various appointments of statutory posts have all been completed this past year. Preparatory works have already started for an extension to the Muslim plot within the North Front Cemetery as the present area is nearly at full capacity.

Planting trees and creating green areas is a priority for the Government. As we know, urban trees can help mitigate some of the negative impacts and social consequences of urbanisation. Trees are a critical factor in human health and well-being and in the overall quality of life in communities. In 2019 alone we have already planted 549 trees in areas like Red Sands Estate, Glacis Estate, Europort Avenue and Camp Bay, and there are more to come. The exciting new park to the north of the leisure centre will add to the green spaces developed by us for the clear enjoyment of all. With 80 further trees and an organic children's playing area its success is guaranteed, as the extraordinary success of Commonwealth Park, this Government's green gem, has shown. Another initiative we are embarked upon is to identify walls and buildings that can be converted to green by the planting of climbing plants. This will be done in several sites this year and retrospectively green up existing large concrete structures to reduce temperature, absorb carbon, and create a healthier environment overall.

Since the launch of our 'Planning for Biodiversity: An Urban Wildlife Conservation and Planning Guide' in December 2017, a significant number of bird and bat boxes have been successfully installed in different developments across Gibraltar. These are being monitored by the Department and are ensuring that the populations of these species are maintained.

The Gibraltar Botanic Gardens continue to develop, with new works carried out on planting beds throughout the Alameda in an effort to marry aesthetics with showcasing the gardens' plant collections. The effects of root action and erosion on the Alameda's paths continue to be a problem, so I am very pleased to announce the start of a phased programme of resurfacing of

the Alameda's paths. The Gibraltar Botanic Gardens continues to raise their profile as a global centre of excellence for the study and cultivation of cacti and is developing a particular focus on the much neglected cactus flora of the Caribbean. One of the gardens' early successes was to rescue the endemic Gibraltar campion from almost certain extinction – if I say so myself. The gardens keep conservation collections of these and other of Gibraltar's special plant species, but new material will be collected from the wild this year in order to enhance the genetic diversity of these important collections. The children's education programme is one of the gardens' flagship programmes and work is well underway to develop an exciting new education area in the heart of the gardens for outdoor learning about horticulture and the environment. The Botanic Gardens hope to deliver the project by the end of the year, all as a result of a crowdfunding and sponsorship initiative and without calling on public funds.

Mr Speaker, this past financial year the Gibraltar Nature Reserve collected £5.5 million total revenue, as compared to the previous year's revenue of £4.1 million, an increase of £1.4 million. This has been possible thanks to the vision, sheer hard work and enthusiasm of my team. We are expecting there will be a further increase in revenue this year. The Gibraltar Nature Reserve has increased in size this year with the addition of the fascinating Devil's Tooth Green Corridor, resulting in the reserve having increased overall in area by about 39% since 2013. Habitat management continues to improve areas for wildlife, and the success of the Barbary partridge programme that the Department is running with GONHS is evident to all. Not so secretive anymore, Mr Speaker! The Gibraltar Nature Reserve provides vibrant and beautiful habitat for our flora and fauna, and managed carefully the Upper Rock can produce income to those who rely on it for their livelihood. The Upper Rock is at its best ever and we will continue to enhance this relationship between the tour guide sector and the conservation and heritage side of the Nature Reserve. I am proud to say that this Government is proving time and again that it is both possible and desirable to care for, respect and improve the environment as well as make it financially viable and provide an income to those working in the tourism sector. We will continue to do all this while making environmentally sound, prudent and commercially worthwhile choices. I can confidently say that, as part of the improvements we have planned in the short and medium term, we have and will continue to increase the revenue from the Gibraltar Nature Reserve. There are exciting times ahead for the reserve.

As a result of continuing control of yellow-legged gulls, the long-term trend in the breeding population of gulls in Gibraltar continues to be one of decline. 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 recognised. Due to immigration from other nesting sites around the western Mediterranean, culling has to be sustained on an annual basis and without this team's valuable work the gull population in Gibraltar would quickly increase to the very high numbers that peaked during the early 1990s.

The GONHS Bird of Prey Unit continues its excellent work in rescue and rehabilitation with extraordinary success. A number of release and reintroduction programmes are planned, the first being the setting up of a colony of Lesser Kestrels which sadly have recently disappeared from the Rock as a breeding species due largely to loss of feeding habitat in nearby Spain.

On the macaques, surgical laparoscopic contraception now provides the cornerstone for birth control in the species, although contraceptive implants of up to three years' duration are still used in selective cases. For the first time in many years we have had zero growth of the monkey population without mass culling, as a result of the benign measures that have been taken. Incursions into town are evidently much less frequent for a number of reasons. These include our provision of ponds and a varied diet to supplement their natural feeding. These animals are of course wild and free-ranging and therefore it would be impossible to prevent all incursions into urban areas, but they are part of our heritage and are once again being considered more as welcome residents of the Rock and less as an inconvenience. That is just as it should be.

Mr Speaker, Gibraltar is already well known as a leading jurisdiction on DLT legislation. It is also true that we lead on the Environment. It therefore makes sense to bring these two together. Ways in which Blockchain can help us tackle climate change include supply chain management, recycling, energy, environmental treaties and carbon tax. We are therefore working to create a regulatory environment for persons to establish exchanges where environmental assets can be traded using distributed ledger technology in Gibraltar. The regulatory environment will consist of the co-existence of the existing DLT Regulations and draft Token Regulations, together with regulations to be enacted under the forthcoming Climate Change Act which will govern the standards that must be met by the projects whose environmental assets are listed on the exchanges. In the longer term, and in particular once the Paris Rulebook has been completed, we will adapt the framework as necessary to accommodate the trading of internationally traded mitigation outcomes. In achieving this goal we are consulting stakeholders and industry actors at an international level with a view to holding a public summit in Gibraltar to encourage and provide incentive for green activities within Gibraltar as well as create environmental assets here that could be traded on the exchanges.

Mr Speaker, the Heritage Division, with the assistance of Technical Services, has carried out works on heritage properties over the past year, the main ones being the Almond Tower at Moorish Castle, Parson's Lodge Battery and Moorish Castle Gate. Work on other heritage assets, including the Tower of Homage, are planned. Some will also have noticed the disappearance of the structure that had been erected at Nun's Well. This crenelated carbuncle had no historic significance. We are currently landscaping to create a new, open recreational area, and will be looking at opening out the well in a second phase. Myriad other smaller projects have been carried out, ranging from the refurbishment of cannon to the replacing of plaques.

Something that never ceases to amaze me is the wealth of archaeological remains that continue to be unearthed whenever developments take place. This was the case in the Lathbury sports complex. At the Europa sports complex site, pottery of Moorish origin and remains of a Moorish wall have been found. At the other side of Gibraltar and in the Airport tunnel human remains and various items of pottery, including parts of amphora, have been found in the sand at a considerable depth, and at Four Corners we have unearthed the remains of the Torre del Molino. The team from the Gibraltar Museum and the Ministry, including the Government Archaeologist and of course the Gibraltar Heritage Trust, are working together like never before to the great benefit of our heritage.

At our World Heritage site and given the discovery of a Neanderthal child's tooth, as reported last year, the Gibraltar National Museum, a recognised world leader in research, has dedicated a team to continue work in Vanguard Cave all winter for the first time. A recent paper published in collaboration with the Max Planck Institute in Leipzig has put the sediment at the top of this cave at around 45,000-50,000 years, which means the sediments that are making up this section are going to be older. I can also report that, following contacts made during the successful Calpe Conference last September, samples of sediment have been sent to assess their potential for extraction of DNA. It is remarkable that today's technology means we can pick up signals of humans and animals without even retrieving the fossils. In this vein, I was pleased to preside over a press conference showing that ancient DNA had been extracted from Neolithic and Bronze Age human remains from the Rock. These are indeed exciting times and are rewarding all of us for putting our faith and support in this project. Excavations this summer will run for three instead of the usual two months, thanks to a new collaboration with the prestigious University of Leiden in the Netherlands, that country's oldest university where, incidentally, George Eliot studied.

The close working relationship with the Gibraltar Heritage Trust continues and is indeed going from strength to strength. The Ministry and the Trust meet regularly in order to work with developers in the formulation of works plans, whilst at the same time protecting Gibraltar's heritage. All those who participate in Trust matters need to be praised as they are vital within

our community and I salute and urge them to continue to support us in our efforts. Their work at Witham's Cemetery of course merits particular mention.

Mr Speaker, following on from the introduction of the Heritage and Antiquities Act, the past year has seen the consolidation of the advisory group provided for in the Act, the Heritage and Antiquities Advisory Council. This has been an invaluable aid in providing expert advice on all aspects of our heritage and is working extremely well. One of the priorities of the Council is the assessment and consideration of other properties that have heritage value to be included in the Act's list of scheduled monuments, and it is actively working on this. The Heritage and Antiquities Act itself has proved a success and its content has been embraced by developers, who now understand that heritage matters need to be considered at the embryonic stage of projects. There is constant liaison, together with many site visits, and advice is provided. As a consequence of this, we now find that when developments come before the Development and Planning Commission they do not have heritage concerns and therefore are expedited quickly.

Mr Speaker, urban renewal is being tackled on different fronts and with close liaison between Ministries, Departments and agencies, particularly through the Urban Renewal Committee. The work involves Planning, Housing and Technical Services Departments, Cultural Services and LPS. One of the initiatives that has sprung from the Committee is the street art initiative, which is already brightening up urban areas, with more to come. This year will also see the much needed refurbishment of Governor's Parade.

While it is not an area for which I have political responsibility, and while it was dealt with at length by the Chief Minister during his address, I feel that as the longest serving member of the DPC I have to comment on development. I agree that there is more development than many would like – but let us analyse this more carefully. First, some of the main sites are schools and health facilities, direly needed and having to be built almost all at once due to the neglect of the last administration. Secondly, natural areas have not been compromised. Thirdly, building now has to be energy efficient and have environmental considerations as standard; therefore, developments today have much less environmental impact, square metre for square metre, than at any time in the past. The Leader of the Opposition yesterday, in his sojourn into alternative reality, had the audacity to complain about development in Gibraltar when so many of the developments about which he complained were commenced or approved by the GSD when in government and so have been inherited. **(A Member: Shame!)** **(A Member: Yes.)** They did their planning by decree and in secret, often the first thing the public knew about a development being the holes in the ground – some of which lasted longer than others. This is what led me to walk out of one of those secret DPC meetings when I represented an NGO and then refuse to attend a number of meetings subsequently. Public engagement now is as never before, with many developments, even Government projects, either being pushed back or significantly amended as a result, and all perfectly transparently and in public.

Specifically for Victoria Keys, I am confident that the environmental impact assessment that we have required will show that the loss of the impoverished and much punished seabed will not have significant detrimental effects on the environment. In fact, it will provide habitat for our now famous limpets. I will ensure that any material from the east side will be screened for contaminants before being used and that the process does not negatively impact surrounding areas. I have met with the lead developers and will be personally working closely with them to ensure that Victoria Keys are an example to the world in a sustainable green development, aiming for carbon neutrality as a minimum.

The Garrison Library has worked on a number of conservation projects concerned with the fabric of the building. Focus has been on the restoration of the Military Room, which has now become a fully equipped reading room; and of the Gibraltar Room, where much of the Gibraltar collection is kept. These changes have transformed the level of service available to the general public and researchers and have served to restore these rooms in keeping with the building's Georgian heritage. The top floor of the former Gibraltar Chronicle building, which had formerly been used by the Garrison Library secretary and accounts office, has now been restored,

545 uncovering through the removal of chipboard partitions and a false ceiling two beautiful Georgian rooms. Work on the balustrade has been extremely difficult due to its delicate nature and the difficulty of sourcing suitable material but is now progressing. The Library has also been working on strategies to increase footfall through cultural events and outreach programmes with schools in Gibraltar, including the Gibraltar Literary Festival and the annual International Symposium on Self-Determination organised in conjunction with the office of the Deputy Chief Minister. Mr Speaker, I am very excited to continue to develop my relationship with the Library team with a view to ensuring we protect it and promote and develop it as a rich historical and cultural treasure for future generations.

To end on environment, I feel that I must challenge the political parties opposite. In doing so, I have to express my disappointment at the GSD and, more surprisingly, at Together Gibraltar and their approach to the environment. When the NGOs are all appealing to the politicians to depoliticise environment as they call for a consensus and a joint approach, the actions of both parties opposite show that they are not interested in us working together. With the sole exception of the Hon. Mr Feetham, who is gracious in his recognition of the progress we have made in areas such as animal welfare and the Upper Rock, the remainder of the Opposition, and most recently the party represented by the hon. Lady – for whom, and she knows this, I have the highest regard – fail to accept and recognise the progress actually being made in Environment, and instead embark on negative statements that denigrate the work of those, including public servants and NGOs, who are achieving so much. I would ask them to reconsider their approach – even as an election approaches – and, for the sake of the environment, be constructive.

Finally, Mr Speaker, before I move on to education, I must acknowledge with pleasure the lesson in environmental policy provided by Sir Joe Bossano in his contribution yesterday. Joe is absolutely correct in his analysis, including his pointing out my unfair generalisation in which I blamed the whole of our species for the sins, grievous that they are, of just a part of it. I particularly support and am hugely encouraged but not surprised that Sir Joe will incorporate environmental principles in his new economic analysis and plan. This is something I have always advocated and is essential if we are to avoid the disaster that awaits our descendants should we fail. I offer my full support and assistance, as ever, to Sir Joe in his work in redefining the economy of the future. I firmly believe that the outcome of this work could itself be an example for other countries to follow. I will comment further on my work with Sir Joe a little later.

Mr Speaker, in education the future is here. From September we will have fully inclusive mixed-gender schools devoted to awakening the learning process in our children. This is a well-overdue update to our education system, now fully accepted by the community as a vital step in education and in achieving full gender equality.

I am privileged to work with women as the heads of two of my Departments, Environment and Education, but saddened that the top posts – for example, in the water and energy sectors – are still all held by men. I am excited to think that co-education and the equalisation of opportunities within and between the two new comprehensive schools, as well as the introduction of vocational courses, will go a long way towards redressing the balance, encouraging more women to take on careers in science, technology and engineering. From September too, mental health support will be in place, which, together with our outdoor learning opportunities and developing creativity and resilience in our children, will assist their development as confident individuals. Our young people will be able to achieve whatever goals they set for themselves, contributing towards tomorrow's society at all levels. We are devoted to developing reflective youngsters who can think for themselves, question others and find solutions to problems outside the remits of conventionality.

Mr Speaker, realignment is now a reality. With each key stage contained within each sector of education, this affords us the perfect opportunity for realistic and meaningful tracking of pupil progress that can be accurately reported to parents and carers. Parents and carers are an integral part of their children's education and play a vital role alongside the schools in shaping our future generations.

As we know, this year we opened the first of a total of nine new schools following on from St Bernard's a couple of years ago while my colleague Mr Licudi was Minister for Education. Notre Dame School is a great addition which has been hugely enjoyed by teachers and pupils already for almost a whole academic year. It is an amazing school in every way and the lasting vigour that could be seen around opening time was contagious. The teachers were absolutely amazing in their dedication and in making the transition smooth and the move a success. Thank you, Priscilla Cruz and all your teaching and support staff. St Anne's, Bayside and Westside will open on their new sites in September. Their facilities will be second to none and they will be among the best-designed and best-equipped schools anywhere, a real asset to our future generations. There will in the comprehensives 13 laboratories in each, a mechanical workshop in Westside, a hairdressing salon in Bayside, a large sports hall each, and two Astroturf playing fields in each school. St Anne's will have a new sports hall too, with large play areas at both podium and roof levels, and of course the adventure playground coming back to the community of the area. Work is progressing well at the new St Martin's School; and Governor's Meadow, Bishop Fitzgerald and the College will follow soon, as will St Mary's, which will also be constructed new. We are continuing to work hard to create brand new, strategically designed and purpose-built schools.

My Ministry team and the Advisory Service have worked very closely with the senior leadership teams of each school to ensure that these learning environments are stimulating, exciting and welcoming places for our young learners. There has been an unprecedented level of consultation, with many staff members involved in all stages of each school project from initial design to furnishing the layouts and the procurement of equipment. It has been extremely hard work, but the schools will speak for themselves. All staff, teachers, LSAs, admin staff, technicians, attendants and cleaners have been and are working extremely hard to ensure that the schools will be ready for opening. I would like to thank the School Migration Committee, led by Joey Britto with Tony Segovia, Melba Noguera and Ian Torrilla for their diligence in taking the lead on this. The biggest task, of course, is the move of the comprehensives, for which I also need to thank the heads, Michelle Barabich and Michael Tavares, for their leadership.

All our primary schools have now embarked on our teaching and learning initiative with digital technologies. Professional development has been delivered to members of the senior leadership team, teachers and members of our core groups in every one of our primary schools. This initiative enters the next phase of its implementation this year with the secondary schools receiving their initial training and subsequent professional development. Our primary schools will continue to be provided with access to the professional development opportunities provided by this initiative over the course of this year, with a large investment in additional hardware being deployed to support the strategies our teachers are developing. This House will have the opportunity to vote these funds in the Appropriation Bill – except that the GSD Members opposite will not. The work of our teachers in this particular area is ground breaking, innovative and truly transformative.

On the curriculum, work is continuing on the implementation of the age 14-19 vocational pathways with initial courses in hairdressing and computer science scheduled to launch in September 2019 with many others to follow. This year will see consolidation of the work being done in Education in the digital technologies. We will ensure that, working with the industry, we lead in providing opportunities for our young people to train and develop their skills so that they are able to take up opportunities that the private sector in this area is providing and will continue to provide. The realignment of the curriculum at secondary schools is at an advanced stage at Key Stage 3, with a planned rollout of changes at Key Stage 4 beginning in September 2019. Next year, the existing curriculum provision at primary level will be reviewed involving all key stakeholders. This review will engage teachers, parents and members of the wider community to ensure that our primary curriculum supports the development of learners who are knowledgeable, caring, creative and resilient. Key to this is the extending of mixed ability to

all subjects in primary schools, with corresponding support being provided for teachers to ensure maximum benefit to the children.

650 The Department of Education has worked in close collaboration with our friends in the University of Gibraltar to develop a project on which they are leading, a bespoke Postgraduate Certificate in Education aligned to the vision for education in Gibraltar. This local-context programme is aligned to teaching standards in the UK and aims to develop teachers equipped with a robust understanding of the teaching and learning processes required to support students
655 through their educational journey. This exciting new programme will take on its first cohort of students mentored and supported by the excellent practitioners in our schools.

Mr Speaker, with regard to higher education I am pleased to report that we currently have 759 mandatory undergraduate scholarships, 149 postgraduate scholarships and 56 discretionary scholarships ongoing. The total expended during this last financial year in respect of
660 undergraduate and postgraduate scholarships amounted to £16½ million. The increase in allowances announced by the Chief Minister is greatly welcomed by all.

If I may briefly digress, Mr Speaker, the Chief Minister was kind enough to consider yesterday that there was added value in the fact that Sir Joe Bossano and I had worked together in achieving LNG as a source of power. It is of course not the first time that we have come together
665 in this positive way. Sir Joe will recall how we worked together in the late 1980s, when he was Chief Minister, in many aspects of environment and health. Coincidentally, going through some old papers at home I came across a petition that I had organised back in 1986 as Chair of the, then, Gibraltar Union of Students. This read:

We, the undersigned, believe that no student should be prevented from undergoing a course of further education for which he/she has been accepted by an educational institution, for lack of Government financial support.

A few years later, the GSLP came into government under Sir Joe and ensured that this
670 happened, and today I sit in the same Government celebrating the thousands of Gibraltarians who have benefited from the scholarship system with a further increase in student allowances.

Mr Speaker, I will continue. The very successful Washington internship, now entering its seventh year, has to date benefited 120 young people.

Training has been provided throughout the public service, as well as in the Student
675 Experience Programme in our schools, in-service CPD for teachers, including iPad teaching and learning, mindfulness, special educational needs (SEN), mental health training and the Finland Educational Workshop. This year we will be investing over £600,000 in the new Teaching and Learning of Digital Technologies Apple initiative to bring this new way of teaching into all our schools, including the secondaries.

680 The minor works programme for 2018-19 mainly targeted the remaining schools that were not earmarked for replacing. Work done last year included the works on electrical upgrades and sewer diversion at St Mary's School; gutter replacement, toilet refurbishment, waterproofing, sound insulation and playground seating at St Joseph's School; St Paul's School has undergone and is undergoing major refurbishment, including to the staff area and classrooms; and works
685 have also been done to Bishop Fitzgerald, the Hebrew School and Bleak House. Plans for the current financial year chiefly centre around the continued refurbishment of both St Joseph's and St Paul's Schools. This will include the creation of outdoor forest learning zones, converting concrete patios into gardens with trees and other plants and the opportunity for the children to grow vegetables and fruit. It is in these outdoor learning-through-play opportunities for our
690 children that we can promote creativity, self-esteem and resilience.

Mr Speaker, importantly, all the new schools will have enhanced provision and resourcing to support pupils with special educational needs. Two more learning support facilities are being created, one in Governor's Meadow and another in St Anne's, to support more children who require more specialised input. St Martin's will have enhanced facilities which will cater for a
695 greater variety of needs. There will be a hydrotherapy pool, a rebound therapy room, enhanced

therapy areas, some specialist classrooms, as well as general classrooms and much more space, both inside and outside, for the children to work and play in. The Early Birds Nursery provision within St Martin's will double.

700 In a hugely significant development, which I know will be welcome by parents and by many NGOs as well as by teaching staff, I am delighted to announce that as from September 2019 all our special needs co-ordinators will have a full-time post and will not have to double up with other teaching duties, with their focus on all matters connected to SEN. This will be a huge boost to the service, and particularly to those children in all our schools with special educational needs. Consistent with this, the special needs learning support assistant complement has been
705 increased. This goes some way to support the increasing numbers of pupils with special needs who are being identified.

As part of our commitment to provide nursery places to all those entitled who so wish, morning places have now been offered to all nursery-age pupils whose families have applied. This year for the first time there has been an emphasis on providing placements on a catchment
710 area basis, which will be helpful to families. More support will be given to lower primary in the afternoons, whereby the nursery LSAs will support the main body of the school in the afternoon.

In keeping with the philosophy of improving our education strategies, we hosted a visit from Leena Heinila, a Finnish educationalist, who conducted a series of workshops with teachers on the world-celebrated and successful Finnish skills-based educational model. In this context,
715 teachers across the lower primary sector attended a very informative conference in Finland which exposed them to different teaching and learning philosophies. The visit concentrated on kindergarten and lower-primary age groups with the aim of understanding 21st-century models, some of which we will be introducing in our schools.

Mr Speaker, the relationship between myself, the Department and the Teachers' Union is
720 excellent. We have developed the ability to talk openly, frankly, respectfully and always constructively and are making huge progress across the education sector. The Chief Minister himself yesterday dealt with matters for which he is responsible and which are also progressing. Teachers well know the regard in which we hold them and their profession and the deep personal commitment that the Chief Minister and I have to them – which I repeat on my behalf
725 today – their work and their aspirations. My regular visits to the schools are out of a genuine interest and probably what I enjoy most in my work. The relationship is reflected in the now very successful Social Partnership with NASUWT Gibraltar, which has meant that jointly with the Teachers' Union we have begun to look at Teaching and Learning Responsibility Allowances with the aim of restructuring how we remunerate additional responsibilities to a teacher's working
730 role. We have created steering committees and engaged the expertise of PwC to ensure the distribution of these allowances is fair and equitable. We have settled longstanding union claims such as the equalisation of pay between upper primary and lower primary sector posts. In addition, we have settled anomalies between secondary school allowances and introduced pro rata maternity leave allowances for teachers on supply contracts exceeding one year. We have
735 advanced in the creation of policies in schools and in the review of departmental umbrella policies. The relationship between the Department and the Union has never been closer, as evidenced by the progress made and by the fact that meetings are held on a more than weekly basis.

We have also built a close interdepartmental relationship with Human Resources and I would
740 like to stress the close working with Welfare Officer Sean Keating in supporting staff members overcome personal and health-related trauma. Support for staff has become one of the Department's prime objectives as we believe that a happy staff goes a long way to creating happy, motivated and dedicated students.

Mr Speaker, the Department of Education works together with other Departments and
745 agencies in safeguarding training, which continued to be rolled out with 245 teachers now up to date with safeguarding.

A number of important relevant policies are in the process of being finalised, including an attendance policy and guidelines. The Department is also dealing with the problems of drugs, alcohol and social gaming, working with other Departments, including the Ministry for Equality, aiming to establish attitudes and practices related to physical and mental well-being, including prevalence and patterns of substance misuse among our pupils. There is further interdepartmental work and collaboration with Gibraltar Voice of the Young People to develop anti-bullying strategies and rolling out of departmental bullying policy and guidelines.

Mr Speaker, we have made huge inroads over the past two years in improving awareness and support for mental health in our school population. Following an extensive and ongoing review of positive mental health and social and emotional well-being in both primary and secondary education, a series of evidence-based recommendations to enhance awareness and provide early detection and prevention measures, supported by specialist training, has been developed. As a result, much has already been implemented, including the formation of strategic steering groups to co-ordinate and manage organisational change and dedicated workstreams. Phase 3, with a view to better supporting students through the transition into higher education, is well under way. The Ministry and Department of Education, through Wayne Barton and Jackie Linares, have organised extensive training sessions which have emphasised early detection, prevention and the holistic development of the child/adolescent so as to avoid an escalation into mental health disorders, which unfortunately may then come to require medical input.

I took the opportunity at a recent mental health training session to announce the recruitment of four counsellors to be based at the schools. These will make a tremendous difference to the children, and also to the teachers and the educational psychologists who will now have this dedicated support. Evidence shows that a counselling service which provides support within an overall school strategy can be highly effective in promoting young people's welfare, supporting their learning achievement as well as alleviating and preventing the escalation of mental health problems. School-based counselling can help pupils to develop skills which make personal transitions more manageable. This may not be as spectacular as a new school building, but it is just as important. I would like to thank my own team, of course, including Sarah Payas, the educational psychologists, the SENCOs, the 'BEST' Education Services Team, as well as the Care Agency, GHA and others for working together in developing the requirements for this service. Recruitment is progressing and the counsellors will be in post in time for the start of term in September.

Mr Speaker, great progress has been made in achieving sustainable schools, as I mentioned earlier in the Environment part of my contribution this morning. The Department will additionally be represented at the International Teachers' Climate Change Forum in Finland in August.

Among other initiatives, I must once again congratulate all those involved – students, teachers and trainers – from the private and public sectors for their renewed success both in the Young Enterprise programme and in the CyberCenturion competition. Year on year they do Gibraltar proud.

On school lunches we are already engaging with potential providers to, as the Chief Minister stated in his address, provide these from September.

As to more initiatives to come, I am happy to confirm that we are working towards offering Arabic as an option at GCSE, being one of the several languages spoken in Gibraltar together with English, Spanish and Hebrew, which is catered for in the Hebrew schools. Sadly, I have not yet been able to bring to Parliament the widely reviewed and updated Education Act, due exclusively to the workload of the allocated legal draftsman on the inordinate amount of Brexit-related legislation, but I am still hoping to be able to publish the Bill before the House dissolves.

Back on the positive, I am particularly pleased to announce that we have commenced work, together with Unite the Union, the Chamber and the Federation of Small Businesses, in developing, together with the Gibraltar College, a bespoke programme of youth training,

including T-Levels and more and tied in with the new vocational courses in the comprehensives to ensure that training is available to our young people across a wide range of trades.

Mr Speaker, I now want to dedicate thought to the teachers, support staff, parents, carers, families and students in this year of educational transition. Change is not easy and is often stressful. A revolution can be more than that. A time of change is never comfortable. It can be exciting, even fun, but it can and does cause anxiety and worry. I have myself experienced all those emotions at different times during this year, but I have been working with an amazing team, both in my Ministry and the Department, in the schools, with project managers, advisers and many more. I meet with them several times a week and they start very early in the morning and end late at night, usually with no financial remuneration for this additional effort. The journey is by no means over, but it is clear that it will be a hugely successful one. I thank each and every one of those involved in the education revolution – those who have agreed and those who have had doubts; you are all a part of it, and this is all for you. Students and their families can be assured that what we can see on the horizon will become a reality of excellent facilities and first-class learning opportunities, where all are equal yet different and all will achieve to their maximum potential, regardless of what that potential is. To those I have met in my office, including those working groups seeing me after hours led by Jenique Berllaque and Natalie Shoesmith, to all those I have chatted with in the schools, including teachers and pupils, thank you for being a part of this journey.

Mr Speaker, in ending I would like to thank all those I work with, which includes the areas for which I have political responsibility but also many others with whom I work and with whom I have regular contact during the course of my work.

In Environment I thank Liesl Mesilio, Stephen Warr, Gerry Lane and Marcello Sanguinetti and their teams in the Department of Heritage, Environment and Climate Change; Jackie Mason, Keri Scott and the advisers, Stuart Borastero and Chris Gomila in addition to the others who I have already mentioned by name in my speech, their teams in Education, including Dymrna Holmes and her administrative team, all the headteachers and their own teams in the schools and the College.

I thank Glen Banda and the Environmental Agency for all that they do, and in particular I want to thank Glen and his colleague Louis Poggio, who will be retiring this year, for many decades of excellent work between them in the interests of our environment. In particular, in the past couple of years their diligence in ensuring the absolute safety of the LNG plant is something for which Gibraltar will always be grateful.

I would also like to thank Michael Caetano and his team in the GEA, and Paul Singleton and all at AquaGib for taking on new challenges while ensuring that we have power and water in our homes and places of work, and all the many contractors with whom I work, including the Gibraltar Veterinary Clinic, the Botanic Gardens, the National Museum and many others; also those in Customs, the RGP, Human Resources, Culture, Planning, the Press Office and the MoD, with whom I regularly work; in my own Ministry, my PA and Personal Secretary in Environment and Education, Caryna, Gianna, Stephanie and Jessica for their unstinting loyalty and friendship; Derek Alman for his inimitable work on the new schools; and of course the Chief Secretary, the Financial Secretary and the Chief Technical Officer and their own teams, who are always there for me when I need them in the exercise of my duties and beyond; to all at No. 6 in the Chief Minister's office; to the Gibraltar Law Officers for their patience and support in moving through important legislation and providing advice on tap when needed; to the Unions for working with me always in order to resolve problems and fulfil opportunities in the interests of working people.

Finally, thanks to the Chief Minister, the Deputy Chief Minister and my Cabinet colleagues for their support and their conversion – those few who needed converting – to the environmental cause. Their positive engagement and support is truly appreciated and never taken for granted. And of course, thank you and the staff of this House for their sterling work throughout the year.

Mr Speaker, in concluding, last week I was fortunate enough to be invited by the excellent team at the Nautilus Project to the presentation of environmental awards at the Charles Hunt Room in the John Mackintosh Hall. The Charles Hunt Room was full to capacity. There were many awards to young people and to quite a number of businesses. My mind went back to the exact same venue over 30 years ago, where I used to organise talks and gave them to an audience of perhaps 15 to 20 people at most. A crowded room was a near impossibility and businesses who must now lead were simply not engaged. How times have changed. How much we have progressed in awareness and commitment. How satisfied I am to think that perhaps I had at least a little bit to do with that.

But in all this satisfaction a word of warning. As Sir Joe Bossano stressed yesterday in his environmental reality check, the environmental battle is by no means won. There is still a great deal to do in our everyday lives and in recalibrating our economic principles and it has to be done drastically but responsibly, with changes to the way we do things but imaginatively without risking our success as a community and as an economy. This is something that not everyone can do. There has to be a balance that risks neither the environment nor our economic well-being. But not everyone can pull that off. It takes a Government in which responsible environmental governance, commercial ambition and economic vision are equally strongly represented. It is this Government, and only this Government, that can offer that. Let that be a sobering thought to all those who might be misguided enough to think that there is a credible alternative to the GSLP-Liberals in government. Mr Speaker, for our community and for our future there is simply no other option.

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, both the Chief Minister and the Father of the House have spoken during their contributions of the excellent employment figures. We have record numbers employed, record numbers of Gibraltarians employed and consistently low records of Gibraltarian unemployment, and it is worth reminding the House of some of these figures. As at October 2018, the total number of employee jobs in Gibraltar has once again risen to a new record high. We have experienced a 7% growth over the year, from 28,029 to 29,995. This is yet again the highest number ever recorded and twice the increased growth in jobs compared to the 3.5% increase recorded in 2017. The average gross annual earnings in October 2018 were £30,496.79, another record high, and that is an increase of 3.1%. Average salaries in Gibraltar generally are therefore rising faster than inflation. Private sector growth has risen by 1,940, from 22,029 to 23,969 in October 2018. The public sector, on the other hand, has seen a marginal increase of ½% over the year to 5,522 when compared to the figures in October 2017. Under this Government we continue to see record low unemployment like never before. In 2018 the yearly average was again a record low of 52 – that is over the whole year – *a reduction of 88%* in unemployment since 2011. In the last quarter of 2018 we again achieved a record-breaking figure with the last quarter average of unemployment at 44, the lowest level ever recorded in unemployment history since records began. In 2019, as the Chief Minister has already indicated, we have continued to maintain low unemployment levels.

Mr Speaker, none of this is a fluke. None of this has happened by accident. The growth in number of employees generally is a reflection of the growth we continue to see in the economy. It is not an isolated event over a year or over a short period. This is growth which we have seen consistently since 2011. That is almost eight years of growth. The Government must be doing something right.

When it comes to unemployment, this is not a numbers game. It never has been for us. This is not about massaging or manipulating numbers to show a particular figure or a particular picture. When unemployment used to be, in GSD days, 300 or 400 – or, in fact, more than 1,000,

as the Hon. Mr Feetham clearly admitted, just before the 2011 elections – these were not just figures or statistics to be bandied around in press releases or during the Budget debate; these were 300 or 400, or perhaps more than 1,000 people with homes, with families and, above all, with hope and expectation that the Government would do something to assist them in finding meaningful jobs. That is what Sir Joe set out to do in 2011 when he devised a strategy to get all of these individuals into the employment market: to give them hope. Hon. Members will recall how much they criticised Sir Joe for the Future Job Strategy. If ever there was a moment for Hon. Members to eat their words, this is it. But this is not about scoring political points or saying to the Opposition, ‘You didn’t know what you were talking about’ – even though that would be true; this is about having been able to turn around the lives of hundreds and hundreds of individuals who were able to wake up each morning and think that they had something to look forward to, a job which would enable them to lead normal family lives, to aspire to and to be able to purchase a home in one of Government’s affordable housing schemes.

And yes, we do take pride in what we have achieved and it is right to pay tribute to Sir Joe’s vision, foresight and sheer hard work in implementing what he believed in, what he genuinely thought and felt was the right thing to do, what was the right strategy to invest in. Ultimately, we were investing in people, in individuals, where each of them mattered. And yes, it worked – boy, did it work! The results are there for all to see, so we have much to thank Sir Joe for. And what Sir Joe started was ably continued by Neil Costa when he took over the employment portfolio with the implementation of new systems and schemes to assist those looking for work and the revamping of the Industrial Tribunal, which was renamed the Employment Tribunal. All I had to do was to pick up the baton and continue where they left off. Of course it is true that politicians can devise strategies, schemes or systems, but it is the people on the ground that have to implement these. They have to do the hard graft. It is a testament to the team at the Employment Service and their hard work that we are able to come to this House year after year and show how people’s lives have been transformed.

The Employment Service has undergone significant internal change. Employment officials meet regularly with various businesses and sector representatives. The aim of this initiative is to determine how services can be improved. It also serves to obtain first hand an understanding of the current and future employment-related needs of the business community. We have seen great success in reducing the number of persons unemployed year on year, as we have seen from the figures. This is a direct result of the work undertaken by experienced employment officers, who provide advice, information and support to registered persons who are either unemployed or looking for alternative employment. The important thing is that the system works, and it works well. The enhanced provisions of the Employment Service see dedicated employment officers and employment co-ordinators working together in providing the best possible support and advice to service users. This also includes assessing individual needs and circumstances, matching skills, qualifications and experience to available vacancies and identifying possible future career opportunities. The Department of Employment has again strengthened its relationships and avenues of communication with other Departments and agencies with respect to employability. The Department provides support with interview skills, writing CVs and cover letters. This service is delivered in conjunction with the Youth Service and the Citizens Advice Bureau. This provides greater reach to cater for the broad spectrum of jobseekers and their individual needs.

The Department of Employment, as from 1st April 2019, introduced a registration of vacancy fee which covers, for a particular position, all administrative work and costs arising from the registration of a vacancy: the filing of notices of terms of engagement, variations of engagement of which there can be more than one, and termination of engagement. As we said at the time, many employers were already paying the registration fee by not complying with the statutory requirement to have a vacancy registered for a 10-day period before it was filled. We also explained at the time that the absence of a fee led to some employers registering vacancies which did not actually exist or have to fill at the time. This then allowed them to fill the vacancy

at short notice without having to pay any fee at all. The result was that this distorted the job market. It was impossible to have a true picture at any particular time of the jobs which were available. Again, this was not just about being able to build a picture from a statistical point of view; it was about knowing what jobs were actually available so that those looking for work could be matched to those jobs and would not have to face the disappointment of being sent to an employer who had registered a vacancy only to find that the vacancy did not, in reality, exist. The introduction of the very modest £17 fee assists to avoid the administrative waste which existed, creates a true picture of the vacancies available and assists those who require it the most, namely the individuals who are seeking employment. Initial figures since the introduction of the fee show that the system is working and is having the desired effect. Having said that, following a meeting I have had with the Gibraltar Federation of Small Businesses, I have agreed that this fee will be reviewed once the figures for six months after the introduction of the fee are available.

Mr Speaker, the Labour Inspectorate continues to operate diligently and efficiently. This Government is committed to the eradication of illegal labour by ensuring that all businesses are compliant within the Employment Regulations. The new strategy and programme of inspections across the various industries commenced last year and has worked to further reinforce the relationship between the Department of Employment and the business community. It is in the interests of all people in business to have a level playing field.

Regarding health and safety at work, the Inspectorate continues to provide an excellent level of service dealing with matters that often encompass work in high-risk areas. The Inspectorate not only works with the contractors and developers managing projects, but also opens its doors to anyone who requires best practice guidance and advice in respect of health and safety issues at work. I am pleased to say that Gibraltar has not seen a fatality at work for over eight years now.

Finally on employment, the Department of Employment is making great advancements towards meeting the Government's commitment on e-government. In fact, the Department will be the first Government organisation to have a fully digital interactive service for its users, allowing for direct administrative interaction with back-office systems and the processing of applications and requests through the Government's new online portal. The system, now in its final stages of development and testing, will cater for a full range of employment e-services.

Turning to tourism, in the last year the Gibraltar Tourist Board has again been hard at work promoting and marketing Gibraltar in order to position ourselves as a destination which is one of the most popular in the western Mediterranean. The work of the Gibraltar Tourist Board is ably supported by the local tourism, retail and hospitality industry.

In 2018, total visitor numbers increased by 1.3% and tourist expenditure was up by 8.6%. For a third year in a row, the total arrivals at hotels reached record highs, increasing by 6.4% over 2017, with tourist arrivals at hotels increasing by 4% over the previous year. The new Holiday Inn Express has been extremely successful and we now look forward to the opening of the Indigo Hotel in Corral Road. I am therefore encouraged and happy to inform Parliament that the Government's strategy for tourism is producing actual results. Activity on the ground is seen and felt and has resulted in growth.

Mr Speaker, this summer British Airways will increase the number of flights to Heathrow and Gatwick Airports. An extra three flights per week will operate to London Heathrow and a further six flights per week to London Gatwick. EasyJet has taken advantage of the slots made available by Monarch with the introduction of a twice-weekly service to London Luton Airport. EasyJet are also increasing their frequency to Manchester Airport to four flights per week during the summer and three per week during the winter. This increase in frequency is a positive move by easyJet. We continue to pursue new UK regional opportunities, although these are restricted to a small pool of carriers with suitable aircraft types able to operate on Gibraltar's short runway.

Mr Speaker, 13 cruise ships will be making inaugural calls to Gibraltar this year. Two hundred and eight ships are currently scheduled to call at Gibraltar in 2020, representing a slight increase

1005 over 2019, and passenger numbers are expected to be, in 2020, over 15% higher than in 2019. In
2018 we saw 407,000 passengers coming to Gibraltar on cruise ships. This represented a 3%
increase over the previous year. It is, however, true that 2019 will see a slight dip in numbers.
There are cyclical reasons that affect cruise calls. These include ships being taken out of service
1010 while cruise companies await delivery of new ships and the redeployment of ships due to new
itineraries or geographical redeployment of ships to new and emerging markets. The
Government is satisfied that the reduction in cruise calls in 2019 is related to operational
decisions by cruise companies, rather than reasons concerning Gibraltar as a destination. As I
have already said, we are already seeing positive growth for 2020.

We continue to engage with the cruise industry at the Seatrade Global events, as members of
1015 MedCruise and Gibraltar will continue once again to be represented at the International Cruise
Summit in Madrid next November. Gibraltar is known for its consistent and proactive approach
towards the industry. Gibraltar's place on the board of directors of MedCruise, representing
large ports in the western Mediterranean, goes a long way in ensuring that the destination is at
the forefront of the cruise industry. It also allows us access to the most up-to-date information
1020 on the trends for the sector.

In our main market, the UK, the Year of Culture campaign continues apace. The campaign is
once again supported by an extensive online and offline media campaign in the UK with some
emphasis being given to hosting the Gibraltar 2019 NatWest International Island Games.

As announced earlier this year, the Gibraltar Tourist Board is launching its biggest trade
1025 initiative in over a decade. Calling the scheme Gibraltar 2020, the Tourist Board will be running
monthly familiarisation trips with the aim of bringing 200 agents from the UK to Gibraltar over
the next two years. We will work with tour operators and airline companies in the UK, and in
Gibraltar with hoteliers, ground agents and tourist sites. Local agents wishing to participate in
these events need to complete an online training programme. Departure points will alternate
1030 from each of Gibraltar's UK airport hubs. The campaign will be supported by a trade and
consumer campaign, driving awareness of the destination and its key selling points to the UK
market, particularly in a post-Brexit era.

Another market worth pursuing is MICE, which stands for Meetings, Incentives, Conferences
and Exhibitions. The Gibraltar Tourist Board participated in the MICE Forum Europe, in
1035 Benidorm, an event which brought together Europe's leading MICE buyers and suppliers to
meet, network and build new connections. The Gibraltar Tourist Board will also be represented
at another event organised by the same entity in Tenerife in December this year. The GTB will be
present at the Meetings Show in London from 26th to 27th June and will be hosting a pre-dinner
event for MICE agents on 25th June in London. The GTB's website now has a dedicated section
1040 for the MICE market with specific information required by buyers in this industry. The Gibraltar
Tourist Board website, which was relaunched not too long ago, is now available in five
languages. Our activity on social media has increased and now includes very successful
competitions made possible with the co-operation of our tourism partners. The ability to
measure activity on social media and on our website is a great asset when planning strategies
1045 for marketing, in the UK particularly, every year.

When it comes to promoting Gibraltar's tourism product to the Spanish market, the GTB was
once again present in the FITUR travel exhibition in Madrid. In the surrounding areas, Gibraltar
works with one of the largest tour excursion companies, TUI, and their local agents to promote
the destination on all of the coaches coming into Gibraltar from the two coastal areas nearest to
1050 Gibraltar in Spain. In addition, Gibraltar is currently advertising on radio and in some
publications in the nearby Spanish market.

We continue to promote niche market tourism and once again we will be represented at the
Rutland Bird Fair from 16th to 18th August. Event-led tourism continues to be a priority for this
Government – from backgammon to darts, chess, music, food and literature.

1055 I was delighted once again to introduce the Gibraltar Lecture at the *FT Weekend* Oxford
Literary Festival earlier this year. The lecture was sponsored by the Gibunco Group of companies

and is part of the yearly activities carried out to promote the Gibunco Gibraltar International Literary Festival. The Government sponsors the green room for the festival at Oxford. We are already looking forward to another festival in Gibraltar in November and we are very grateful to the Gibunco Group for their continued support in sponsoring the event. The festival has led the way to becoming not only more accessible but also digital. Her Royal Highness the Princess Royal continues as Patron of the Festival and for this we are very honoured and grateful.

Mr Speaker, before finishing on tourism, I just want to echo something which the Deputy Leader of the Opposition mentioned, which was the very sad demise earlier this year, in a sudden and unexpected way, of – (*Interjection*) The Deputy Chief Minister, I said.

Hon. A J Isola: Deputy Leader of the Opposition, you said.

Hon. G H Licudi: No, the Deputy Chief Minister, not Deputy Leader of the Opposition, mentioned the sad death of Ian Leyde, who worked for many years at our London office, and for my part I want to extend my own condolences to his mother, his wife and his three children.

Mr Speaker, I turn to the Gibraltar Fire and Rescue Service. Last year, the organisation responded to 1,215 operational calls, which included actual fires, emergencies and, in some cases, false alarms. In addition, fire control operators also mobilised the GHA Ambulance on 5,820 occasions. The introduction of the Geographical Information System last year has substantially improved the deployment of resources attending emergency incidents and providing our officers on the ground with vital information. New to Gibraltar is the rollout of telephone CPR, which provides our fire control operators with the skills necessary to offer guidance to callers or members of the public who are willing to assist someone who has suffered a cardiac arrest. The service is in the final stages of development.

The GFRS counsellor continues to work with partner agencies on an initiative to introduce a multi-agency forum that will support the treatment of emergency services personnel suffering from Post-Traumatic Stress Disorder. The introduction of traumatic incident management as part of Emergency Services' duty of care to its staff is a vital support tool that is intended to enhance not just the prompt recovery of persons suffering from PTSD but also to mitigate the risk of long-term effects to emergency workers who have had abnormally negative experiences in the fulfilment of their duties.

Mr Speaker, the GFRS has completed the second phase of its fleet replacement programme with the purchase of two new fire appliances. Both of these appliances are water tenders, primarily designated for firefighting operations. The combined value of these appliances is in excess of £290,000. Both these vehicles are fully operational and are proving to be a successful investment. The ultimate beneficiary of the replacement programme will be our community and it is with this in mind that the Government has made the funding available. It will enable the GFRS to perform their duties in a more professional and efficient manner using the latest resources and technology available.

Mr Speaker, on the Airport Fire and Rescue Service, during the last nine months the focus has been on bringing online the new firefighting vehicles purchased in the last financial year. This has resulted in the introduction of different firefighting techniques, which together with the enhanced capabilities offers a far more robust and safer response capability for the benefit of both firefighters and anyone involved in an incident.

Gibraltar Airport has recovered considerably since the collapse of Monarch Airlines in October 2017, with existing partner airlines adding new routes and increasing frequencies on existing routes, as I have already mentioned. It is of course true that, following the demise of Monarch, passenger numbers in 2018 were down. I am, however, pleased to report that from January to April 2019 passenger numbers through the terminal have shown an overall increase of over 19% compared to the same period in 2018. This rate of growth is expected to continue for the rest of the year. In fact, *anna.aero*, a leading online airline network news and analysis

website, has stated that Gibraltar was the fastest-growing country market in the second quarter of 2019.

1110 The Government is also very pleased to see that Fonnafly, a Norwegian-based helicopter operator, has already transported one of its helicopters to Gibraltar in order to offer tours and taxi flights to nearby destinations. The helicopter will be locally based permanently and the operator is seeking to expand its services, which will benefit both the tourist product and our current air travel services.

1115 Mr Speaker, on the Gibraltar Port Authority, throughout 2018 we saw positive growth in the GPA. However, in some areas, particularly in bunkering calls, there has been a fall in activity of just over 7% on the previous year. Currently, there is a global downturn in bunkering activity. However, one of the key factors that has affected activity locally is that during the latter half of 2018 two bunkering companies encountered difficulties in maintaining normal operating levels
1120 in Gibraltar. On both occasions the reasons behind the downturn were external to Gibraltar and due to other aspects of the businesses internationally. Nevertheless, I am happy to report that one of these operators is already back to near normal operating levels. The other is working hard to achieve the same. Given that there is no shortage of interest to develop new bunkering opportunities in Gibraltar from existing and new operators, I am entirely confident that the
1125 matter will be resolved very soon. Gibraltar is and will continue to be one of the biggest bunkering ports in the Mediterranean. Allied to this is a whole range of activities and services to the shipping and maritime world, from crew changes to underwater hull cleaning to provision of spare parts, food and lube oils. All the services which one would expect in a port of high repute are not only available but are being delivered in the customary Gibraltarian way – to a very high
1130 standard. That is why people keep coming back.

We continue to see positive figures in superyacht visits, with growth of just under 2% on last year. We continue to market Gibraltar as a destination of choice in this space and the Government, along with the GPA, Gibraltar Maritime Administration and the Gibraltar Tourist Board, hosted a stand at the Monaco Yacht Show in 2018. Our presence at this prestigious event
1135 is an important component in promoting Gibraltar within the yachting world. Our strong marketing approach in this sector means that Gibraltar continues to be a popular destination for some of the biggest and newest super and mega yachts in the world. These visits range from calls due to the repositioning of vessels to making crew changes or taking advantage of the many other maritime services that are on offer in our Port.

1140 The GPA's marketing strategy continues to produce good results. During the last 12 months the GPA has attended a variety of bunkering, cruising and general shipping events held in major maritime hubs, most notably Posidonia in Athens, where the GPA hosted a stand with key sponsors and partners. Gibraltar's maritime profile will be given a huge boost this year with Maritime Week Gibraltar, a new initiative scheduled to take place this year in late June. The
1145 Government, GPA, Gibraltar Maritime Administration and Petrosport have joined forces to create this new initiative, a major biennial event designed to showcase and promote Gibraltar's thriving maritime sector to a wide international audience. The aim of the initiative is to drive more maritime-related business to Gibraltar. I am delighted with the interest in Maritime Week Gibraltar and anticipate strong international participation. My thanks go to the local sponsors,
1150 without whom this event would not be possible.

Mr Speaker, the new LNG terminal at Waterport is generating considerable interest worldwide. I am pleased to report that we have already finalised the legal framework for LNG bunkering licensing as well the technical framework. LNG bunkering plans for Gibraltar will not include the use of the existing terminal for the supply or storage of LNG for ships. This will be
1155 performed via ship-to-ship transfer. Gibraltar will be one of the leading wave of ports that stand ready to support the changeover to this type of fuel in the coming years. LNG is expected to significantly improve the environmental performance of shipping worldwide. We are delighted to be part of this process and the keen interest that this investment is generating for our Port.

Mr Speaker, I am delighted to report that the new GPA offices were inaugurated in October 2018 and I am pleased to say that both staff and visitors alike have been very impressed with the facilities. The upgraded VTS system is working very well and provides much needed additional capacity in respect of surveillance of all operations in BGTW, including enhanced night-time surveillance and monitoring capabilities.

Regarding maritime assets, the Royal Gibraltar Police afforded the GPA the possibility of taking over one of their vessels. Initial tests carried out on the ex-RGP launch, renamed *Admiral Rooke*, indicated that it was suitable for port use. The vessel was then sent to Gibdock for maintenance and rebranding. During the refit process, a number of additional critical issues came to light, delaying the introduction of the *Admiral Rooke* into service. The launch should be ready for operations early this summer.

Mr Speaker, with regard to the Gibraltar Maritime Administration, I am proud to say that the Gibraltar Shipping Registry is celebrating its 25th year anniversary. Against the backdrop of Brexit the overall Gibraltar fleet, both ships and yachts, stands at 1,313, which is an increase of 4% on last year. This is a notable statistic that serves to demonstrate that quality of service and overall technical performance is valued above the continued uncertainty over Brexit and the slower than anticipated recovery in the world shipping markets. In part, our success as a registry is a result of a lot of hard work in visiting new and established ship owners and managers, listening to their concerns with regard to Brexit and taking on board how the GMA can improve and adapt to changing circumstances. In support of this, the GMA is committed to travel to all safe ports to conduct inspections, surveys and audits to the highest standards in order to build and continue to have a working rapport with our clients.

The GMA continues to work closely with the UK Maritime and Coastguard Agency and other members of the Red Ensign Group. This year, the Maritime Administrator visited the Red Ensign Group annual conference held in the British Overseas Territory of Monserrat. The GMA was able to report its progress on the implementation of the Triple I code under the IMO convention. During the conference the GMA extended an invitation for training to Red Ensign Group Cat 2 members to share our expertise here in Gibraltar with regard to Port State Control inspections, in which Gibraltar is regarded as leader within the Red Ensign Group. This invitation has been accepted by Guernsey, who will send a surveyor to Gibraltar in September.

As part of our modernisation and digitalisation process, the GMA's new seafarers' portal is now fully active. The GMA can now offer clients online registration and issuance of provisional and full-term certificates for seafarers. HM Government's strategy for the GMA over the next two years is to continue maintaining its high quality of service, increase the fleet size by bringing in business from new geographic areas and further develop its position as a training hub. We also expect to have a new and more interactive website.

Mr Speaker, I now turn to the University of Gibraltar. This is, as hon. Members know, an autonomous educational institution established by the University of Gibraltar Act 2015. I am, however, happy to report on progress at the University. There have been a number of changes at the University over the last year. There is a new board of governors led by Albert Langston as its chairman. Prof. Catherine Bachleda has been appointed as Vice-Chancellor after acting in this position for almost a year. I congratulate Prof. Bachleda on her appointment.

Important progress has been made for the regulation of the University, which has involved the passing into law of the University of Gibraltar (Regulation and Accountability) Regulations 2018, whereby the GRA was appointed as the University's independent regulator. The University has subsequently completed its first regulatory reporting cycle with GRA in a satisfactory manner. In September 2018, the University of Gibraltar (Academic Board) Regulations 2018 were published, formally establishing the University's Academic Board in line with the University of Gibraltar Act 2015.

Sadly, this year we will say goodbye to Lord Luce, who is stepping down as Chancellor of the University after four years in office. Lord Luce, as we all know, has been a great friend of Gibraltar and has been an asset to the University as its first Chancellor. His experience and

expertise has at all times been available to the University and this has been invaluable. I want to thank Lord Luce once again for his service and his commitment to the Gibraltar University. Recently, Lord Luce launched, in Gibraltar, the Chancellor's Lecture at the University. This is intended to be a yearly event. The inaugural Chancellor's Lecture was delivered by Lord Geidt on the Monarchy and the Commonwealth. This was illuminating and was well received by all present.

Following a launch in 2018, the University's undergraduate Bachelor of Business Administration (Hons) degree welcomed its first cohort of students, including the first two students funded by Parasol Scholarships. Developed in line with the UK Quality Assurance Agency Quality Code and commended by an external validation panel of experts, this industry-focused degree includes an important placement component that has been very well supported by local firms, allowing students to gain first-class industry experience. September 2018 also saw the University welcome its first students to its Master's in Marine Science and Climate Change. Students following this programme benefit from the support of Government Departments, including in particular the Department of the Environment. The Postgraduate Certificate in Education is on track to start in September of this year. Designed and developed by the University of Gibraltar in partnership with the Department of Education and Kingston University, it is the first time that this qualification will be offered in Gibraltar. Another first for Gibraltar is the commencement, also in September 2019, of the University's locally delivered Master of Business Administration (MBA). This means Gibraltar's professionals and graduates now have the option of studying for this elite business qualification at our University rather than via distance learning. There has been continued growth of the University's PhD research programme. There are now 17 PhD research students, mainly local, who are conducting meaningful research that will benefit the wider community. October 2018 saw the enrolment of the first two full-time Commonwealth Scholarship PhD students supported by the University's Institute of Life and Earth Sciences and the Institute for Gibraltar and Mediterranean Studies.

As well as strong development of the University's academic programmes, the University is also making progress with its professional courses portfolio. We have seen a continuation of Law and Taxation Professional Certificates, together with other professional courses that also link closely with industry, including CILEx on law, CII on insurance, AAT on accounting, and short courses for digital innovation, business improvement, financial and management accounting, and sports coaching. Moreover, in recognition of the quality of many of its industry focused short courses, the University received membership of the CPD Certification Service providing recognised independent Continuous Professional Development accreditation compatible with global CPD principles.

I am also pleased to report that the University has achieved Approved Learning Provider status for the Enhanced Learning Credit Scheme for those transitioning from MoD life to Civilian life. The University's Europa Point Language Centre received Approved Provider Centre status for Cambridge Assessment English. The University has been licensed by ACCA as a computer-based examination centre, allowing external examination candidates to sit their professional accountancy examinations online at the University. In May 2019 the University launched its first Professional Certificate of Competence in Blockchain and Smart Contracts. This is linked to the creation by the University in October 2018 of a Key Advisory Group for New Technologies in Education involving sector experts drawn from local industry and commerce. One-day Blockchain educational workshops were held in November 2018 and February 2019.

The University's strategic plan for 2019-22 has recently been published following extensive consultations. The strategic plan sets out a path to create an institution of excellence in teaching, learning and research. Also of note, the University has recently appointed a Director of Quality to ensure that all University of Gibraltar degrees continue to be aligned to UK quality standards and simultaneously support the University's efforts of continuously enhancing the student experience. The University's standards are being recognised internationally too. Speaking of the recent PGCE programme, the external validation panel of experts described the

University's programme as 'ambitious and imaginative', 'innovative and high quality' and one that should 'enhance the education of children in Gibraltar'. The UK higher education representative body, GuildHE, recently described the University as 'small by design, strong links to local businesses, and committed to high-quality provision', while influential higher education publication *Wonkhe* wrote the following: 'The regulatory structures surrounding the University of Gibraltar are fascinating. It's like the English system drawn in miniature.'

Mr Speaker, the international higher education sector is highly competitive and the University is keenly aware that it must market itself effectively. Its marketing efforts have included participation in student recruitment fairs and other promotional drives in countries as far afield as India and South America, as well as efforts closer to home in the UK, Spain and Morocco. This, alongside local and regional activity, aims to pitch the University shoulder to shoulder with global educational institutions.

It would not be possible to attract international students without the availability of reasonably priced student accommodation, and the completion of the two residential student blocks which will be available for the start of the next academic year in September 2019 is an important milestone for the University. Equally important is the extra space that is needed to further expand its programmes, and this will be provided by the planned expansion to the adjacent St Christopher's School buildings.

This year has also seen the University's collaborative ClimACT project draw to a close. It was a three-year project and over those three years the local ClimACT tripartite has facilitated a series of workshops for teachers in order to discuss and exchange ideas around the topic of education for sustainable development. As a result of these seminars, teachers themselves have shaped the aim, structure and operation of the framework for Gibraltar, this being the inception of Sustainable Schools Gibraltar.

The University has prioritised the development of international relationships that reinforce its international standing and provide opportunities for its students. These have included agreements and discussions with the Network of Universities of Small Countries and Territories; an MoU with the University of North Carolina in Wilmington; more recently, signing an agreement with Broward College, Florida to facilitate the transfer of students from Broward to the University; and also joining the Association of Commonwealth Universities as an Educational Affiliate Member. Commonwealth universities are able to network extensively and effectively through the ACU, sharing problems, solutions and good practice in a variety of higher education environments.

The University will also be awarded the presidency of the Mediterranean Studies Association (MSA) when the Association meets later this year. The MSA is an organisation which promotes the scholarly study of the Mediterranean region in all aspects and disciplines. The presidency will be for a full year, ending with Gibraltar hosting the MSA conference during the last week of May 2020.

There will, I am sure, be further and significant developments concerning the University which will be announced during the course of this current financial year. As we have seen, although still in its infancy it is clear that the University is making excellent progress and making its mark in global education. It is also supporting local businesses through its professional development programmes, as had always been envisaged and planned. It is extensively used as a venue for conferences, seminars and lectures. The University is clearly an asset to the community and will, I have no doubt, continue to grow in its importance as a teaching and learning institution.

Mr Speaker, I now turn to Civil Contingencies. The Office of Civil Contingencies works very closely with the Emergency Services and other first responders in addressing the increasing and diversifying threats that we face. Threats continue to intensify and evolve and we must therefore remain prepared to respond and recover from a range of complex challenges. In the last couple of years we have seen how the UK has fallen victim to appalling terrorist attacks in Manchester and London as well as the audacious use of a nerve agent by state actors on the

1315 streets of Salisbury. Sadly, the threat from terror attacks continues to be all too familiar and it is
a threat that knows no international boundaries. The barbaric events in Christchurch, New
Zealand, and in Sri Lanka are such a reminder had we ever needed one. In recent months, we
have seen the effects of the emerging threat from drones and the large-scale disruption that
these caused in both Gatwick and Heathrow Airports, some disruption of which has also been
1320 felt in Gibraltar. We must also not forget the growing threat from cyber terrorism as nations
become more reliant on technology. We have seen how the UK has had its critical national
infrastructure threatened by attacks like the disruption at Bristol Airport in September, as well as
private information compromised in large-scale data breaches like Marriott and Equifax. Like the
threat from international terrorism, these emerging threats are unaffected by international
1325 boundaries. Gibraltar must be alive to all of these threats.

Mr Speaker, Gibraltar's National Risk Register has continued to evolve in line with the threat
environment. It captures the most significant risks that we face as a community, based on how
likely they are to happen and what their impacts might be. Some of the plans that have recently
been renewed include the Major Incident Plan; Brexit no-deal planning; cybersecurity; the Mass
1330 Casualty Plan; the Refugee and Migrant Response Plan; the Chemical, Biological, Radiological
and Nuclear Explosives (CBRN(e)) Response Framework; the LNG Plan; and marauding terrorist
attack. In terms of the CBRN(e) threat, the events that took place in Salisbury last year serve to
demonstrate the scale and impact that an incident of this nature can have on the community.
CBRN(e) response is a very specialised operation and the Office of Civil Contingencies has been
1335 in close contact with the National CBRN Centre, which is part of the UK's Counter Terrorism
Policing, to ensure that Gibraltar is best prepared to respond to such a threat. In December
2018, 18 members of our emergency services and other first responders qualified as CBRN
Operational and Tactical Commanders and we have also had two CBRN Strategic Commanders
qualified in May 2019.

1340 Multi-agency interoperability training lies at the heart of our preparedness. Throughout the
past 12 months a significant number of training events have been conducted, mainly aimed at
those who are at the sharp end of emergency response and recovery. Considerable effort and
resources go into each training event. We can never be too prepared. We can, however, ensure
that our organisations are as best prepared as possible to respond to any emergency or major
1345 incident.

Finally, on Social Security, I can report that the total amount of benefits paid out by the
Department in the financial year 2018-19 was £43,261,000 – over 80% of that in old age
pensions.

1350 Mr Speaker, we continue to take positive steps to improve services and to position ourselves
ahead of the competition in order to secure a positive future for Gibraltar and face the
challenges over the next few years – not least Brexit, if it ever happens.

Gibraltar is doing well. Whatever the challenges to come, we will face them with the
determination, hard work and commitment to our nation that Gibraltarians and all those who
live in this special place which we call home have always shown; and, as always, we will emerge
1355 stronger.

Last but not least, Mr Speaker, my sincere thanks to all my staff and everyone at the various
Departments which fall under my responsibility. I am deeply grateful for their work, their
continued support and their dedication.

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

1360

Mr Speaker: The Hon. Paul Balban.

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, this year I will once
again aim to make my contribution as concise and to the point as possible.

1365 The Ministry for Infrastructure and Planning works hard every year to ensure that all funding
approved in Parliament is put to the best use in order to achieve the maximum benefit for the

community. A large part of the Ministry is responsible for and dedicated to delivering real change in the way that we live, but especially in the way that we move. The Ministry predominantly lives and breathes traffic and transport while keeping a watchful eye on construction and development, as this may have a direct bearing on the way that we move. The mainstay of daily work is centred around mobility, trying to ensure that we may become a happier, fitter and healthier nation over time. We all want all of these things but the real challenge, especially for a nation with one of the greatest vehicle ownership rates in the world, is getting there.

Government has gone very far indeed in providing green and open spaces. Commonwealth Park has been an amazing success story and makes a massive environmental statement; the newly announced Mid Town Park will do likewise, providing another much-needed carbon sink. But this alone will not eradicate the root of our problem. We cannot reduce our carbon footprint by simply planting trees or paying for a carbon offset. We all have to play our part, however small that may be. Our daily dependence on vehicles is simply unsustainable and in many cases quite difficult to justify in terms of the short distances travelled relative to the environmental effect caused.

Slowly, more and more of us are developing a greater awareness of our environment, our emissions, about plastics, about recycling and even about what we eat and how this affects our environment. Greta Thurman recently brought the word 'environment' right into our very living rooms, the news channels constantly bringing environment issues to the forefront. An environmental emergency was recently declared and great work is being done worldwide by NGOs, charities and individuals but also within our own community to help raise awareness – the ESG and the Nautilus Project immediately spring to mind: people who give up their personal time for what they believe in and for the good of our planet.

Mr Speaker, I always thought that there was very little that a single person could do for the environment. I also even thought that, compared to large cities and large countries, there was very little that Gibraltar could contribute. Now I believe that I was wrong because if we do not all row in the same direction, we the developed world will destroy the planet – if we have not done so already; and unfortunately we are not rowing in the same direction. A single person can save between one and two tonnes of carbon dioxide per year by simply walking or cycling to work, and this puts things into perspective. Today I see more people cycling in Gibraltar – the Department installs bicycle racks, and bicycles just seem to appear – but we have a long way to go as a community, and although I am very proud of progress so far, if we do not up our game we will pay the price as a species. Lung cancer has now become the leading cause of cancer in Gibraltar. How much of this can be attributed to our environment, smoking, poor diet and lack of activity?

Mr Speaker, nestled intrinsically within the Sustainable Traffic, Transport and Parking Plan is the word 'environment'. The STTPP is nothing more than an environmental plan, a blueprint, a road map. There are huge challenges along the way. But change is change, and human nature does not adapt easily to change at first. This will be our collective challenge. We all want a greener, healthier, cleaner, fitter Gibraltar, but we just do not want this utopian dream to inconvenience daily life in any way. The STTPP focuses on this change and gives us the tools to try to harness the great potential that there is for change. It must, however, be a joint effort and it must involve us all. We have to make the STTPP *our* plan, the people's plan. We have got to want this, all of us, so that it has a truly positive impact on our health and on our lives.

Someone close to me recently said, 'Balban, you are like Yin and Yang – people love or hate you depending on the zone they live in.' Mr Speaker, that is a sad reality – well, at least for me. So harsh is the sentiment when it comes to personal transport, lifestyle and parking that one can either agree, appreciate and accept the reasoning and message behind the plan, or violently oppose and criticise it. The strength and dichotomy of feeling is astounding. Yet, just like in Chinese philosophy – Yin and Yang describes how opposite or contrary forces actually complement each other and are interconnected – in the same way, the STTPP is a puzzle of

many pieces, some similar, others opposing, and until all of these pieces come together it is impossible, at least for the moment, to see their interaction and what the final result will show.

The Residential Parking Scheme makes parking easier for those who live within a given zone, yet it gently discourages the same from driving into other residential areas and occupying free parking spaces there for long periods of time, hence depriving the residents there of their own parking. However, parking is still available by way of free parking within given hours and by way of pay and display.

I recently had the opportunity to network with officials of the Borough of Walthamstow in East London. They have recently embarked upon a scheme creating open spaces in the community. They work closely with the UK charity Living Streets. Though these schemes are aimed at giving streets back to the community by making them more attractive through tree planting, providing cycling routes and improving pedestrian safety so that people are able to enjoy their surroundings, their experiences have been very similar to ours. Local residents have been strongly and vociferously against these changes at first and it is most comforting to know that Gibraltar is not unique in this respect.

Even though environmental objectives are for the benefit of all, people generally do not take kindly to change, at least at first. Furthermore, it is not just change that is unpopular, but indeed the mere thought of change or even a rumour of change can stir unrest. Following rumours that have recently been gathering momentum, residents of Varyl Begg Estate can rest assured that there are no changes envisaged to their current parking arrangements that will affect them in any way. There are no clandestine plans brewing within the Ministry. Furthermore, this parking arrangement will be administered by the Ministry for Housing and policed by their private agents and not parking management officers.

Mr Speaker, this past financial year has seen zone 3 come to life. This zone has been relatively easy to see through, simply because this zone is far larger than previous zones. Sandpits, New Harbours and South Pavilion car parks also add to the parking stock available within the area. A further new parking facility has recently been built within the South District in what was a dilapidated and derelict Rosia Lane. This car park will provide 47 new parking spaces with infrastructure for two electric vehicles. There will also be some provision to park motorbikes within the facility. This facility will become operational once the final security features are fitted and the allocation process is complete. Visitor parking is also far easier to provide for non-zone permit holders between 8 a.m. and 2 a.m. Further areas will shortly be provided within zone 3 for this purpose as part of the tweaks planned.

Zone 2, although still spoken about, no longer attracts as much attention. The Ministry has now had time to consider in part the effects that the Residential Parking Scheme has had on other sectors of the community, not least blue badge holders and the business community who require access to parking to go about their daily work. I am most grateful to the Chamber of Commerce and the Gibraltar Federation of Small Businesses for their support of our initiatives and for sharing their views with us. We will shortly be making an announcement that will be welcomed by the business community, allowing them to access all residential parking zones except zone 2, which will continue to be accessed as normal via the loading and unloading areas within the delivery hubs.

Blue badge holders will also shortly be able to access a greater number of parking spaces by way of the newly introduced parking clocks. An announcement to this effect will also be made shortly. Once these few further initiatives have been rolled out and given time to assess, we will be ready to move ahead with the Residential Parking Scheme.

Mr Speaker, pay and display parking continues to be the preferred and most effective method for sharing public parking space. It prevents cars remaining in parking spaces for weeks and months on end. Pay and display parking also ensures that those who require to drive may still be able to do so and find parking away from their own residential areas. Pay and display also provides the necessary turnaround that helps people access businesses for relatively short periods of time – for example, restaurants and shops – and so, to this end, extra pay and display

parking has been recently provided at Europort and outside Atlantic Suites. Last financial year, parking spaces were also increased along Waterport Road and a dedicated motorcycle parking area was built in the same area.

1475 In an attempt to improve parking for blue badge holders, a new clock system was recently implemented so that parking turnaround could be encouraged. The clock permits parking for up to three hours, as is the practice adopted in the UK. A small number of blue bays have been designated timed bays. This pilot scheme will be assessed and improved upon as necessary. The Ministry is aware that respectful blue badge users not only have to live with the daily abuse of a system which is very difficult to police, but are also confronted with many issues that affect their
1480 ability to carry out their daily activity. To this end, the Ministry will shortly be announcing a further enhancement to the benefits of the scheme, which will also start on a pilot basis. Holders of a blue badge will be able to park using their time clock in conjunction with a specific parking permit within other residential parking zones. This will hopefully help improve accessibility.

1485 Gibraltar Parking and Management Services Limited is responsible for all the operational functions regarding parking and parking enforcement in Gibraltar. A full review of the operation, facilities and parking hardware is currently being carried out within all car parking facilities with a view to upgrading equipment and procedures to meet modern-day smart technologies. To this end, older pay and display machines and barrier systems are being replaced by modern equipment. Locally, our payment platforms have the unenviable task of catering for coins of
1490 different currencies. This creates many difficulties. All new machines now accept card payments, which supports the worldwide trend towards cashless systems. Over time, the aim will be to become predominantly cashless, where possible.

A full review of the present CCTV network is also being undertaken with a view to updating the present systems to improve their resilience in tackling vandalism, damage and abuse.

1495 Monthly rental parking provides a very critical resource, especially in areas where on-street parking is poor. These parking facilities are even more crucial within zone 2, where there is fierce competition between residents, local visitors and tourists for parking. The provision of this type of parking is increasing, providing residents with that guaranteed parking space which is very much in demand. Ocean Spa Plaza car park will be completely operational within the next few
1500 months and will be providing over 100 parking spaces available for rent.

We will also, over time, be introducing smart parking technology in Gibraltar, offering services in line with all major cities worldwide. These systems will provide valuable data, which is so critical in today's digital age. Data and its management are key in trying to understand parking habits and needs within a community. It also provides the means to be able to guide car users,
1505 especially visitors to Gibraltar, to specific car park facilities where parking is available. This is crucial to help control and effectively manage traffic and parking stock. Data also provides insight into parking behaviour and the length of stay of cars in a given space. This data can then be used to change permitted maximum parking times to suit the business and personal needs of the population. Parking stock will then be linked to a parking app which will allow top ups permitting payment over mobile devices. New parking apps will direct drivers to vacant spaces rather than encourage that endless search for parking which results in greater emissions and cost. Online payment of FPNs will also be made possible via this system. A new website presently under construction will provide online forms, together with information on services and road condition. It will be possible to renew parking permits online. New policing vehicles
1510 fitted with ANPR technology will patrol streets to pick out incorrectly parked vehicles or those with expired roadworthiness certificates. This technology will greatly assist policing on the ground. I would like to thank GPMSL for their hard work over the past year providing this critical role, doing a job that is hugely demanding and unpopular.

1520 Mr Speaker, cycling is arguably the frontrunner in the race to sustainable personal transport for medium-length trips. With this in mind, a number of bicycle-related initiatives have been rolled out this past financial year. Cycling along Main Street and Irish Town has now been permitted for almost a year and it has provided an area where anyone wishing to cycle in safety

is able to do so while respecting the pedestrians. This area has been well received by certain sectors that are open to consider the bicycle as a means of transport. Most of the complaints received, however, have been as a result of cyclists disrespecting the natural direction of traffic flow and failing to respect the operational hours. However, children on cycling proficiency courses and charity events have enjoyed the use of this area during the specified operational hours. A few tweaks have been made, opening up further tributaries along Main Street and Irish Town to increase the value of the scheme. In the coming months, further areas will be opened to bicycles, thereby improving connections and providing shortcuts between areas, making cycling an even more efficient mode of transport.

Cycle lane infrastructure is presently being considered for Gibraltar as a means of improving safety and encouraging take-up. Shared spaces will shortly be provided along the Saluting Battery and within Wellington Front to facilitate access to bicycles. Much-needed cycle racks have been fitted around Gibraltar but especially around the Europort area, which sees the most bicycles being used for work. Further racks will continue to be provided over the next financial year.

The Redibike Scheme was recently extended to Beachview Terraces, Catalan Bay and Governor's Parade in an attempt to reach out to hotels, their guests and the beaches on the Eastside. Although the uptake of the bicycle sharing scheme is not as great as one would have hoped for, usage continues to grow and the scheme has been a stepping stone for some to try out a bike and then eventually perhaps buy one of their own. That in itself is such a positive effect.

The Royal Gibraltar Police have spearheaded bicycle proficiency courses for years. I personally undertook a course with them over 35 year ago. I would like to publicly acknowledge and thank them today for the excellent work that they have done over the many years that these courses have been going on. These courses began in 1978, led by PCs Galia, Field, Gomez and the late PC Felices. These courses provided, and still do to this day, schoolchildren with the basic skills of balance and cycling awareness within the safety of a playground environment where very useful skills were taught.

This financial year, the Ministry have engaged with the Royal Gibraltar Police and Youth.gi, aiming to take these proficiency courses to the next level, empowering children and adults alike to learn how to cycle safely and become road savvy. The urban environment is full of challenges to overcome and a cyclist today needs to have the necessary tools to be confident when cycling. To this end, the Ministry has been working closely with the BikeAbility Trust in the UK and their subcontracted instructors. Gibraltar now has six provisionally qualified instructors, who will be shortly engaging with schools and the community at large. These courses will range from teaching someone how to cycle to teaching cyclists how to ride safely on busy roads. I am very excited to see this initiative take off. Furthermore, there are currently two instructors working in Cambridge training to become fully qualified cycling instructors. I would like to thank all of the six newly qualified local instructors and wish Martin Graffione and Simon Debono success. I would also like to thank their respective departmental heads, who have been instrumental in supporting this initiative.

With growing awareness comes an increased demand for cleaner, more breathable, safer and liveable streets. Finally on the matter of bicycles, the Ministry is looking at possible ways of allowing access for cargo bikes and e-cargo bikes for the delivery of goods for extended periods of time within the pedestrianised area of Main Street and Irish Town on a pilot basis. This would mean that businesses would no longer need to enter these roads before the 9.15 a.m. curfew.

This year, pedestrian improvements have been made at Corral Road and Market Place by way of two much-needed pedestrian crossings. At Chatham Counterguard, new and more aesthetically pleasing cannon-shaped barriers and planters have been placed to safeguard pedestrians and clients of the restaurants in the area. Main Street will also shortly be seeing an uplift of its security barriers to more ornate and decorative ones which are more in keeping with Gibraltar and the attractiveness of Main Street.

1575 Mr Speaker, Gibraltar's buses are a key and very critical part of transport within the STTPP. Encouraging modal change requires an efficient and reliable bus service and the Gibraltar Bus Company provides exactly this. There is little reason not to consider the bus offering in Gibraltar, which is predominantly free for locals with the exception of the night bus services. The Bus Tracker app has been revolutionary in putting the bus service right into the hands of the user.

1580 The recent reintroduction of the request bus stop at certain bus stops has greatly improved the service timing and made the ride more comfortable for both the user and the bus driver. New bus stop signs are replacing dated signs throughout Gibraltar. The new signs are designed to be more user friendly, providing clearer information regarding the name and location of the bus stop, the bus routes servicing the bus stop with their respective ending termini and the
1585 specific bus routes' direction. The Bus Company will shortly be introducing new bus maps and timetabling information at all of its main bus stops. The bus stop signs feature new branding which helps clearly identify the bus stops, the new logo representing public transport in Gibraltar.

This year has also seen the introduction of a new school bus route departing from the South District every weekday during school term time. The new school bus service tackles the issues brought to our attention by users who were concerned that route buses were full at school peak times. This shows that bus use is increasing and is therefore a good problem to have.

I would like to thank all those down at the Gibraltar Bus Company, the bus manager, his management team and all the bus drivers, who work long hours day, night and into the early
1595 hours of the morning on weekends via the night bus. They provide a service so that we are able to go out and enjoy the nightlife safely and sustainably.

Mr Speaker, turning now to Technical Services, the Department continues to provide technical support on construction, engineering and traffic-related matters, as well as meeting their responsibilities of maintaining public infrastructure including coastal engineering works, cliff stabilisation, the repair of retaining walls, highways resurfacing and highways and sewer
1600 maintenance. In addition, the Technical Services Department also provides support on the implementation of several key projects related to the STTPP.

This past financial year, the Highways section has been involved in major resurfacing works along Rodger's Road, St Joseph's Road and Upper Witham's Road. Furthermore, having taken
1605 into careful consideration the timing of major construction projects throughout Gibraltar, road resurfacing schemes have now been completed or are ongoing throughout many sections of road network including Queensway, Glacis Road and Laguna Estate. Other sections of road will also be tackled this financial year. Some sections have not been resurfaced between stretches of new asphalt as other major road works or developments are due to commence shortly. The
1610 feedback so far has been great.

In addition, the new mini-roundabout at Devil's Tower Road was completed last year and now the provisional pilot roundabout outside the now completed Ocean Spa Plaza development is about to be made permanent. This roundabout has been the subject of much criticism by the Opposition, who have simply not understood that resurfacing and road infrastructural works of
1615 this nature need to be carried out at the right time so as not to risk unnecessary damage while construction works are still ongoing. The Highways section have kept a watchful eye on this area to ensure that the surface, although uneven, was still kept to the minimum standard required. The developer will now be carrying out and funding these works as agreed.

The Department continues to successfully manage road closures and diversions on the public
1620 highway, which have been challenging of late due to the vast amount of construction projects under way.

I am pleased to announce that the final phase of the project to fill in the paving joints on Main Street was completed last year.

With respect to cliff stabilisation and rockfall prevention projects during the 2018-19 financial
1625 year, the Department has been involved in numerous schemes within the Upper Rock. This has seen the stabilisation works carried out at O'Hara's Battery, Queen's Road, the Apes Den,

St Michael's Cave, Spur Battery Road and Green Lodge Battery. These areas are all located in places which are frequented by locals and visitors to Gibraltar alike and it is important that within the limitations of living in a place like Gibraltar, where rock falls are inevitable, these areas are kept as safe as possible.

During the past year, the Technical Services Department was also involved with works to a number of retaining walls including Willis's Road, Windmill Hill Road, Spur Battery, Line Wall Road, Sir Herbert Miles Road and Castle Steps. During the current year the Department will continue to monitor our retaining walls and effect repairs as necessary but will focus their efforts in the area of Blackstrap Cove, where movement of the ground has been observed.

Turning to sewers, during the past year the Infrastructure section of the Department have continued to maintain the public sewerage network as part of Government's commitment in this area. Major desilting and relining works were carried out to the main sewer running under part of Line Wall Road extending southwards along Lovers' Lane. These works are considered essential given the condition of the sewer in this location and the disruption that can be caused in the event of a failure of the sewerage network.

Works were also completed along Rosia Bay, Europa Point, Crutchett's Ramp, Cooperage Lane and Queensway to provide additional flood alleviation measures. The Department will this year continue its major desilting and cleansing works of the sewer network and will be carrying out upgrade works where necessary. Other works will include gully cleansing, manhole repairs and the general upkeep of the public storm and sewerage networks.

Given the sharp rise in developments in Gibraltar, the Department continues to provide advice to both developers and the DPC on the impact that these various developments can have on our existing sewerage network.

Finally, funding is once again being provided 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 provided. They will continue to provide a service to maintain the fleet of Government vehicles, including the refuse collection vehicles, despite suffering from a lack of resources.

Mr Speaker, I would like to take this opportunity to thank all members of all the sections within the Technical Services Department for their hard work and commitment during the year.

I will now turn my attention to the Driver and Vehicle Licensing Department (DVLD). The DVLD this year has been extremely busy preparing for all possibilities, not least a no-deal Brexit. Although negotiations are still ongoing, I can confidently say that very good progress has been made and no stone has been left unturned when it has come to Gibraltar's transport.

I must start by thanking the Chief Examiner, who for the past year has been literally living out of his suitcase not only travelling on Brexit-related business but also attending to all his other engagements and commitments within all of the European bodies and transport-related committees that Gibraltar is part of, while still managing the ever-busier MoT Test Centre. As a person with solid connections and very well respected by our counterparts in the UK, the DVLA and other fora within Europe, he will be greatly missed. I wish him and his family all the very best on his retirement later this year and wish to thank him for all of his hard work and support of the Ministry.

Mr Speaker, our transport inspectors ensure that all users and undertakings fully abide and conform to all the legal requirements under the Transport Act and allows the public transport offering to improve. They also manage the busy morning Main Street delivery window. I would like to thank them for a difficult job well done.

A huge amount of work has been carried out and is still ongoing with respect to our Gibraltar driving licences in order to ensure that we can continue to drive throughout the EU under any Brexit scenario. Although the UK did extend the 1949 Geneva Convention on Road Traffic to Gibraltar, which in a no-deal scenario will allow our drivers to be issued with an International Driving Permit (IDP) to enable them to continue to drive throughout all 1949 Convention

contracting parties, Government has successfully negotiated that upon the UK's ratification of the 1968 Vienna Convention this Convention also be extended to Gibraltar. It follows that the DVLD, together with the Government Law Offices, have worked extensively to achieve this agreement within very short timescales. Therefore, in the event of a no-deal Brexit, all is now in place to ensure that local drivers can use an International Driving Permit in conjunction with the present driving licence, allowing us to be able to drive throughout the whole of Europe and indeed the world. Nevertheless, negotiations are still ongoing between the DVLD and the Department for Transport in the UK for Gibraltar's present photocard licences to be included in all driving licence recognising agreements that the UK signs with other member states. If successful, this will allow our driving licence to be accepted throughout the EU on its own and without the IDP. Hence, there may not even be a need to apply for IDPs for access to certain member states. Moreover, agreements are also in place for registration certificates, or log books, and roadworthiness certificates, MoT certificates. Therefore, in the case that the UK leaves the EU without a deal, all the necessary practical procedures and processes are already in place to allow our drivers to continue to drive throughout the EU seamlessly.

Mr Speaker, although further delayed because of Brexit negotiations being undertaken by the Driver and Vehicle Standards Agency in the UK, the DVLD has now finalised and agreed negotiations and administrative procedures regarding the digital tachograph card, almost complete. Although applications for these cards will be expedited at the DVLD, due to our small demand the DVLA will be personalising and providing our cards. This will allow our drivers, undertakings and law enforcement agencies to be able to have these cards readily available in the very near future. These negotiations have been lengthy and extensive; however, I am extremely happy to announce that there will be no cost involved to Government for this process other than the cost of issuing the cards themselves.

Mr Speaker, the motorcycle compulsory basic training (CBT) continues to be a tremendous success and is a valuable tool for reducing accidents on the road caused by inexperienced drivers. Feedback continues to be extremely positive.

I would like to take this opportunity to thank all members of staff down at Eastern Beach for their very hard work and dedication throughout this very tough year, especially those dealing with all the pressures that Brexit has brought upon them, especially at the public counter.

Mr Speaker, Her Majesty's Government of Gibraltar recently announced the publication of a consultation paper on the regulation of personal transporters. This is a subject that appears to be raising much discussion within social media. The greatest problem faced will unfortunately be the lack of respect for other road users. These devices can already be seen travelling through pedestrianised areas, along pavements, going against the flow of traffic and being ridden dangerously. Unfortunately, this works against the acceptance of these devices within the community, as they would be highly difficult to police. In the end, pedestrian and child safety will be of paramount importance when considering the future of these devices. Nevertheless, feedback so far has been extremely poor. Few have responded to the official consultation paper, yet debate continues apace within social media groups among limited groups. I actively encourage those with opinions to make these known via the consultation paper so that a final decision will consider the opinions of the public at large.

Mr Speaker, finally, I will now turn my attention to my responsibilities for Town Planning and Building Control. The Department continues to deal with large numbers of applications seeking planning permission and Building Control approval. In 2018 there were a total of 538 applications. Many of these have related to large-scale developments that involve complex planning considerations, including the consideration of environmental effects through the environmental impact assessment (EIA) process. The EIA process involves extensive discussions with applicants, developers and stakeholders with the intention of mitigating environmental impacts and achieving high standards of architectural design, attractive townscapes and good-quality environments for residents and visitors alike.

1730 In 2018, there were 57 planning, building and demolition applications submitted by
Government and the MoD which sought advice and guidance from the Development and
Planning Commission. A total of 13 public meetings of the DPC were held this past financial year.
Additionally, the DPC's subcommittee met 38 times to determine minor applications, which
1735 greatly helps to speed up the decision-making process for more minor applications. Agendas and
minutes of DPC meetings continue to be made available online. During the course of this year
the Government is aiming to introduce live streaming of all meetings of the DPC. This will greatly
enhance the ability of the general public to view the important work of the DPC and adds further
to an open and transparent planning system.

The e-planning service continues to operate successfully, allowing easy access to application
1740 details for the public and providing a platform through which applicants can submit their
applications online. Town Planning staff will continue to develop this e-planning system. During
the course of this year we will also be working towards a solution that will allow applicants to
pay application fees online.

Turning to matters of urban renewal, I am pleased to say that the Tax Relief on Facade
1745 Improvements Scheme continues to operate well, with the aim of encouraging property owners
to improve the appearance of their buildings. There were 14 applications under this scheme in
2018 with a total value of works of over £½ million. The Urban Renewal section has been active
in approaching landlords to carry out improvements to facades. Our focus continues to be on
identifying specific buildings in need of refurbishment and encouraging owners to undertake
1750 improvement works, thereby bringing new life into these urban areas. Additionally, four sites
have been embellished with new street art images, bringing life to otherwise featureless and
uninteresting areas. More sites are currently being considered.

The Building Control section continues to work hard in ensuring that buildings are built to the
appropriate standards. During 2018, the section issued approximately 320 Certificates of Fitness
1755 or Completion certifying completed works. This figure has increased from last year.

Finally, I would like to take this opportunity to thank all the staff of the Department of Town
Planning and Building Control for their dedication and hard work throughout the year in what
can often be a difficult and controversial area of work.

I would like to thank all my personal ministerial staff, whom I share most of my working day
1760 with, for all their help, support and very hard work during the past year and always. I would also
like to thank my Traffic Team, namely Dylan Infante, for taking on such an immensely
complicated and technical brief as is the STTPP. I also wish to thank all members of the Traffic
and Transport Commission, many of whom give up their personal time to attend the many
meetings throughout the year.

1765 Finally, I also wish to thank you, Mr Speaker, the Clerk and all parliamentary staff for their
help and very long hours throughout the year.

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

1770 **Hon. Chief Minister:** Mr Speaker, I think that might be a convenient moment to adjourn until
three o'clock this afternoon.

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

The House adjourned at 12.47 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.04 p.m. – 5.45 p.m.

Gibraltar, Tuesday, 11th June 2019

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The Gibraltar Parliament

The Parliament met at 3.04 p.m.

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

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

Appropriation Bill 2019 – For Second Reading – Debate continued

Mr Speaker: The Hon. Trevor Hammond.

Hon. T N Hammond: Mr Speaker, I am delighted to have another opportunity to deliver a Budget speech, my first in an election year.

I would like to begin with the environment. This year saw this House pass unanimously a motion recognising that our planet faces a climate emergency. While there are still many people who would deny this fact, it is true to say that none sit in this House. I congratulate the Minister for showing leadership in bringing the motion and Government as a whole for seeing the wisdom of accepting a minor amendment which would allow its unanimous passage.

There is no doubt that all of us seated here understand the urgency of the global crisis being faced and appreciate the need for urgency and continued unanimity in mapping out our community's future. I have agreed to discuss the proposed legislation with Minister Cortes and believe that we are very much in agreement that it needs to be as challenging as possible in the targets it sets. Whether the legislation is at present too compromising is a valid challenge, I believe, but I know that Dr Cortes will be pressing as hard as possible for the least compromise, and in that he has my full support.

We are genuine in our declaration of a climate emergency. We must set aside our day-to-day differences, recognising that they will continue to exist. Relatively trivial political differences have become, to many, ironclad oppositions; fundamental agreements remain unacknowledged or unappreciated. We must exploit these agreements and set forth on that pathway to delivering the results that need to be delivered for such an emergency. I would further ask that, aside from the primary legislation, we convene a committee – not necessarily a select committee and not necessarily the committee described in that legislation – and attempt to map out the future for the next 10, 20 or 30 years. I believe this is something we do need to do together to ensure the security of our future. In this way we can see clearly what needs to be achieved and how it can be achieved, so that we can get cross-party agreement on measures which may not in every case be popular but which will be necessary in meeting the challenges ahead. I believe that only by showing the political leadership and strength necessary and by sharing the responsibilities will we be able to assure ourselves of attaining our goals.

Of course there has already been some progress locally with respect to improving our environmental credentials, though now I must commence with the more adversarial part of my speech, as is the tradition. We recently have seen the placement and power delivery from solar panels at New Harbours. I know that the Minister gets piqued whenever I level criticism at him; it is natural, but I am afraid I am not simply going to pat him on the back on every occasion, whenever he makes a statement. It is not my job to do that; it is my job to probe the Minister's

statements on behalf of our community so that they can be properly understood. If this means that the Minister has to level insults back at me, well, that is fine, my skin is thick and I know I am on the right track if the hon. Gentleman chooses to adopt that strategy. I do applaud the solar panel initiative and look forward to seeing more of the same being delivered as per the recent Government announcement. The more energy we produce from the sun the less fossil fuel we have to burn, and the less fossil fuel we burn the less impact we will have on the global climate and indeed on our immediate environment.

There is, of course, a commercial aspect to such projects and it is essential that they are delivered with complete transparency in the tender process. Whether the Minister likes it or not, there are big question marks over the way that the New Harbours installation was dished out to a close supporter of the GSLP. When such happens without a transparent tender process there can only be suspicion. This suspicion is supported by other concerns I have received from another agency when they sought to apply for solar panels. They were told that their project would only be approved if they went to the same supplier as for New Harbours. That is a scandalous attempt to monopolise this market in favour of an individual and in no way encourages a free market or indeed rapid progress in the installation of such facilities. I hope all future projects and similar requests will be managed transparently, as they would be under a GSD Government.

Very recently we saw the destruction of mature trees on Devil's Tower Road followed by the usual excuses that the trees were diseased and that they would be replaced – not the first time this excuse has been used, as the same happened with the removal of the pepper trees in the No. 6 car park. Government will say that it has planted x number of trees, has created a park and will create another at Mid Town. Yes, this is laudable but it does not excuse the destruction of the few mature trees that we have in our urban environment. Every one of them contributes to the removal of carbon dioxide from the atmosphere. Destroying them to put up yet another tower block in this ever-growing concrete jungle created by the GSLP is inexcusable. Trees contribute towards improving our air quality and one would think that this would be a high priority for Government, considering that all too often the air quality is so poor. The Minister might say that many trees have been planted, but the truth is that not so many have been planted in urban areas and that that does not excuse the destruction of mature trees.

This would seem like a good opportunity to move on to air quality, which remains a serious problem in our community. The Minister spoke of how we have reached EU targets for air quality for the first time. Many would question those results, but let's give the Minister the benefit of the doubt. Actually, let's not. He takes his statistics for nitrogen dioxide from the three monitoring stations, all in the South District. He neglects to mention the information from diffusion tube monitoring, of which there are 27 distributed more evenly around Gibraltar: 22 of these 27 show an increase for 2018 over 2017, and 21 of the 27 show nitrogen dioxide levels greater than 40 micrograms per cubic metre, the EU acceptable mean level, a very different picture than that presented by the Minister. And because of the tardiness of moving a monitoring station to the North District, it is much harder to determine what benefits are derived from the dual-fuel power station as we have nothing to compare it against. We have no idea what air quality is like in the vicinity of the new comprehensive school, where nearly all children aged 11 and over will be spending the majority of their day. Indeed, the school itself will likely cause greater congestion and therefore pollution than already exists in the Waterport area.

It is really difficult to see what strides have been made to seriously improve air quality. Yes, the long awaited dual-fuel power station should make a difference – we shall see – but in the meantime nothing is happening to significantly improve vehicle emissions, nothing has happened to change practices at the dockyard, no serious changes have occurred to change practices in the bunkering industry, and building development has taken a rampant turn with no end in sight. (**Hon. D A Feetham:** Hear, hear.) All of these are major contributors to poor air

quality and it is hard to see a single step that Government has taken to significantly improve the amount of air pollution derived from these sources. And let's remember LNG is a fossil fuel and methane is a significant contributor to global warming.

The Chief Minister compared their dual-fuel power station project with the GSD's project for Lathbury – the entrance to the Nature Reserve, he said – the very area that his Government has torn up and destroyed. Gone is the habitat of the Barbary Partridge that was there, gone is the habitat that saw migrating birds stop to feed before making the Strait crossing, gone is the habitat of innumerable species, including Iberian walridges, which I know are very close to the Minister's heart. (*Interjection*)

He speaks of diesel spewing from chimneys. What utter nonsense! The hon. Gentleman either has no idea about how these things work or, more likely, he is trying to paint a Dickensian image entirely out of touch with reality for his political purposes. Emissions from a diesel power station can be very effectively cleaned up and nature survives very well alongside such facilities because they are secure and have limited footfall. Nature can thrive in the environs of such facilities; not so around a public facility such as a sports stadium with heavy footfall of people and vehicles arriving and departing, causing huge destruction.

As for the dual-fuel power station built so close to so many homes and schools, it has not been equipped with the best possible technology, as had been promised by the Minister. There are no electrostatic precipitators fitted, so should the facility have to run on diesel – and this must be considered a possibility or they would have not built a dual-fuel plant – then particulates, some of the most harmful emissions, will not be removed. Combine this with the limited height of stacks imposed by the proximity of the airfield and you wind up with those particulates and any other emissions being blown straight towards some of our most densely populated areas, not to mention the new comprehensive school which has been inconveniently located nearby. And Government collectively pat themselves on the back for this?

The Chief Minister also speaks of the rise in electricity prices he claims would have been the result of the GSD project. Can I remind the Chief Minister that we pay £21.6 million in subsidies each year to keep prices down for the consumer – £21.6 million, almost half the Education budget to subsidise electricity prices. Of course, this artificially low price does nothing to discourage wastage and unnecessary consumption. How does that help the environment?

Finally, let's briefly analyse the environmental credentials of LNG – methane – in the context of the global environment, since we have accepted that there is a global environmental emergency. Methane is a major contributor to the greenhouse atmospheric effect, second only to CO₂ and about 21 times more powerful in its warming effect than CO₂. LNG – methane – has to be imported by tanker from Holland, I believe – Rotterdam, I think. Has Government factored in this frequent need for transportation over long distances, all the while burning marine diesel? Has this been factored into the calculations for environmental benefit? The liquefaction and gasification processes produce CO₂. Has this been factored into the calculations for environmental benefit? Between 1.5% and 3% of all gas extracted leaks into the atmosphere during the extraction, transportation and gasification process. Has this been factored into the calculations for environmental benefit? LNG is not the solution. Globally it is just another fossil fuel contributing powerfully to global warming. Locally, thanks to the poor choice of location, it is certainly no better than the Lathbury proposal, probably worse. Government has created a myth about LNG. Pursue renewables energetically, reduce our dependence on fossil fuels – that is the future I support. (*Interjections*)

Has Government made any serious attempt to reduce emissions from vehicle traffic, particularly when they are encouraging so much construction which brings so many polluting lorries on to our streets? Are we seeing the internal combustion engine being replaced by cleaner electric vehicles or at least smaller, more modern vehicles that pollute less? The answer is clearly no. Why is this? Government's incentives for people to make that change are simply inadequate. While a very few people might take this step for altruistic environmental reasons,

the majority will not and need to be incentivised to do so, and the reality is that those incentives need to be financial. Make less-polluting vehicles cheaper and more-polluting vehicles more expensive. The formula is straight forward. We have to commit to a better environment.

On this, to some extent I can talk from personal experience as I bought an electric moped earlier this year. The beauty of an electric moped is that you can recharge the battery at home, so not having a garage is not a problem and, most importantly, as with all electric vehicles, there are no exhaust fumes. However, it is not particularly pretty, it is not particularly fast – which is fine for the streets of Gibraltar – but neither was it particularly cheap. Even with the £150 cashback on offer it was still only a little cheaper than the 125 cc equivalents so popular in Gibraltar. Oddly, I would have had a greater cashback if I had bought a cheaper electric bicycle. Does Government not understand that mopeds are probably the most popular form of transport in Gibraltar? Do they not understand that if really significant incentives are provided to encourage the purchase of electric equivalents we might be able to take large numbers of polluting vehicles off our streets, not to mention of course the additional benefit of reducing the ambient noise emanating from our roads? We have to commit to a better environment.

The same is true for low-emission cars. The fact that there remain so few on our streets is a clear indication that the incentives on offer to switch to lower-polluting vehicles are inadequate, and there were no measures announced in this Budget to change that. The message is simply not getting through. And then there are the commercial vehicles which deliver to Main Street every day. Isn't it time that businesses were encouraged to switch at least the majority of their delivery fleets to electric? There really is no excuse for all the emissions produced in town by these vehicles and it could so easily be prevented. What incentives has Government offered to business to make this important change? We have to commit to a better environment.

And then, of course, there is the price of diesel, which remains cheaper at the pumps than petrol. That is something that the Government could change tomorrow if it wished too. They could have changed it yesterday, had they wished to. Why should the owners of the most polluting vehicles pay the least for their fuel? It is ludicrous, and yet it is the sad truth. We have to commit to a better environment.

Bunkering, as stated, is another source of significant local pollution. When I suggested earlier this year that perhaps an external review of the industry should take place to provide advice on whether and where improvements could be made, Government reacted as if I had somehow insulted a member of their family. There is nothing wrong with seeking an opinion from a third party. Indeed, Government did exactly this when they spent hundreds of thousands of pounds on their Strategic Transport Plan, albeit the results of that venture have been somewhat disappointing.

Bunkering is a major pollutant. Sulphur dioxide, nitrogen oxide, carbon monoxide, carbon dioxide, particulate matter and hydrocarbons such as benzene are all produced by bunkering. All are harmful to the environment and to human health, and yet this Government would immediately dismiss this suggestion that we might get a third party to look at industry practices to determine if there are any areas where improvements can be made. Any improvement is important because at present, and all too often, we are poisoning our own people. I am sorry if this sounds harsh but it is the reality. We have to commit to a better environment.

And then we have the dockyard, where Government refuses to enforce change on an industry that refuses to voluntarily make that change. Gibdock makes a lot of money out of Gibraltar, as do its directors. As a company they pay very little corporate tax. All in all the company does very well out of Gibraltar and yet they continue to be a significant polluter. They refuse to make the necessary changes to their business, such as providing shore-supplied power to vessels in dock under repair – and Government, year after year, allows them to get away with it. The Government is guilty by association. They have, for the last three years, spoken of negotiations that are under way with the company, negotiations to allegedly change these

practices. Three years of pollution and no action. It is not good enough. We have to commit to a better environment.

Construction and creating a concrete jungle seem to be this Government's major objective. One must presume this is necessary to fund the continual over-expenditure of so many of their projects. What is undeniable is that, despite the criticisms they used to level at the GSD administration about the amount of building going on, they have accelerated development to new heights – literally, in the case of some planned buildings. Vistas have been ruined. It used to be a cause for concern that our sea views were disappearing. No one would then have imagined that the same would happen with our Rock views, yet this will be the remarkable legacy of this Government.

The latest addition to that legacy is a huge reclamation and development at Coaling Island that has been dubbed Victoria Keys – with a K, which irks quite a lot of people, it seems. Much has been said of this in the past few weeks – (*Interjection by A Member*) I did not think that would be the part that irritated you most! Much has been said of this in the past few weeks but it is necessary to review some of this. The Government marketing machine has gone into overdrive, giving the hard sell to what is ultimately supposed to be a private project, albeit funded by public money. They describe it as a garden city to allay the environmental concerns – and there are many that this pharaonic project will raise. The project raises so many questions of accountability, use of taxpayers' money and conflict of interest that the people have a right to full transparency by publication of all documentation associated with the project, and not just the Government spin.

The first question has to be: why are we using taxpayers' money – ironically the £300 million raised by mortgaging Government-owned housing estates – to fund a project from which a private developer is seeking to profit hugely? Why doesn't the developer risk or raise its own capital for this project? No, the Government has decided that the taxpayer will bear the risk so that a rich developer with links to Ministers can make a profit. The deal is entirely opaque.

Chief Minister (Hon. F R Picardo): Mr Speaker, a point of order.

Mr Speaker: Yes.

Hon. Chief Minister: We have been very careful during the course of the debate for the past 48 hours almost – apart from a point of order made, unnecessarily, at the beginning of my intervention – to avoid personalising this debate in a negative way, but the hon. Gentleman has said that developers who were going to make a lot of money are linked to Ministers. Well, Mr Speaker, the hon. Gentleman will have heard me –

Mr Speaker: Developers were going to make a lot of money?

Hon. Chief Minister: And that they are linked to Ministers. Can the hon. Gentleman just confirm to the House, in order to persuade me that he is not trying to do something which would be contrary to the Rules, that he heard me give him full disclosure of who the developers are and what their links to Ministers are?

Hon. T N Hammond: Indeed, Mr Speaker, as far as I know, the Chief Minister did give full disclosure. It does not mean I am going to change what I said.

Mr Speaker: Sorry, I did not hear.

Hon. T N Hammond: As far as I am aware, the Chief Minister did give full disclosure. Indeed, the developers themselves clearly have links because their members are part of the same firm as

240 the Chief Minister remains a partner of. I would also say that I have not specifically personalised it, because until the Chief Minister stood up I did not actually mention any particular Minister.

Mr Speaker: No, but you mentioned Ministers generally.

245 **Hon. T N Hammond:** I said Ministers generally so as not to be specifically –

Hon. Chief Minister: Will the hon. Gentleman just give way for a moment? Thank you very much.

250 Mr Speaker, the hon. Gentleman I assume in that latest comment is referring to the link between some of the developers and the law firm of which I am a partner on sabbatical, which is declared in the Register of Members' Interests and of which the former Leader of the Opposition sitting three along from him is also a partner. Is that what he is referring to?

255 **Mr Speaker:** The Chief Minister is asking what are the links that you are referring to – what is the nature of the links?

Hon. T N Hammond: Mr Speaker, he has recited the link that the developers are part of the same law firm of which he is a partner on sabbatical, so the link is clear.

260 **Hon. Chief Minister:** And Mr Feetham as well.

Hon. T N Hammond: So I think there is no point of order. The Chief Minister has created a link!

265 **Mr Speaker:** At least we have made clear that it is only to the extent of the fact that he is not an active partner at the moment of a legal firm. Okay?

Hon. T N Hammond: And I did say 'Ministers' – in the plural ...! *(Laughter and interjections)* I said Ministers.

270 **Mr Speaker:** You need to be careful, because if there is only one Minister and that is the Chief Minister only, you are extending it to the others, and that is uncalled for.

275 **Hon. T N Hammond:** I believe other Ministers have links, Mr Speaker. *(Interjections)*

Hon. E J Phillips: Mr Speaker, the only point that was being made by my hon. Friend, Mr Hammond – it is a point of order, yes – is that the Chief Minister himself disclosed the interest of other Members in this House to those developers. That is the point that is being made by my hon. Friend.

280 **A Member:** So it is a positive note.

Hon. Chief Minister: I am very grateful, Mr Speaker. So that is a positive allusion to the transparency and disclosure that I have provided in respect of those links, and I am honestly genuinely grateful to the hon. Gentleman for having made that clear.

Mr Speaker: I would hope that hon. –

Hon. D A Feetham: May I also, because my name – *(Interjections and banging on desks)*

290 Mr Speaker, barely two years ago, if I had fallen into the Straits of Gibraltar the hon. Gentleman opposite would have thought it was unfortunate. If I had actually been rescued, they would have thought it was an absolute calamity, Mr Speaker!

Today, I am acclaimed by both sides of the House in my –

295 **Hon. Chief Minister:** ... even more than Theresa May! (*Laughter*)

Hon. D A Feetham: Absolutely, Mr Speaker.

Mr Speaker, may I say this: that my name has been mentioned. My firm has no interest in relation to Victoria Keys.

300 There may be a director and a shareholder that is a partner, or another one is maybe an associate of Hassan's, but my firm has no interest in Victoria Keys. So I think that I am duty bound to make that point, bearing in mind that I have been mentioned.

Hon. Chief Minister: Thank you very much, Mr Speaker.

305 I am extraordinarily grateful to the hon. Gentleman for that particular clarification, because given that I am not in practice at the firm, he is obviously the person who is most aware of the interests that the firm may have or may not have, and therefore Mr Speaker, his particular clarification at this moment assists the hon. Gentleman and the Leader of the Opposition in their view that I have (*Interjection by Mr Speaker*) disclosed a position and that in fact the link that the
310 hon. Gentleman was referring to – I will just finish in one phrase – which was the link via the firm is one that does not exist. I am extraordinarily grateful to the hon. Gentleman for having pointed that out.

Mr Speaker: Now, look, we have had already over 12 hours of debating and other than a
315 small blip right at the beginning, I think that hon. Members have conducted themselves marvellously well. We have had a very high standard of debate without any personal allusions, and I would hope that we can continue it until the end of the debate.

Please continue.

320 **Hon. T N Hammond:** Thank you.

Ah, where was I? (**A Member:** The rich get richer.)

The Government has decided that the tax payer will bear the risk so that a rich developer, with links to Ministers, can make a profit.

325 **Mr Speaker:** Will you remove those words 'with links to The Ministers', please. I think it has been established –

Hon. T N Hammond: I shall move on, Mr Speaker.

330 **Mr Speaker:** – there are no links to Ministers.

Hon. D A Feetham: Mr Speaker, that is the position as a matter of fact. I have stood up, I have said, my firm does not have an interest in Victoria Keys. That is factually correct. What he is saying, without identifying the Minister, is also correct, Mr Speaker, but it is just that he has not
335 identified the right Minister, Mr Speaker. But what he has said (*Interjections and laughter*) is absolutely correct!

A Member: Can he get it right?

340 **Hon. T N Hammond:** Mr Speaker, I have not identified any Minister. I have said ‘with links to Ministers’. ‘Links’ is a fairly broad term. *(Interjections)*
May I continue?

Mr Speaker: You may continue. I would be grateful if you would weigh your words carefully.

345 **Hon. T N Hammond:** I will continue. **(Mr Speaker: Thank you.)** *(Interjection)*

So, Mr Speaker, there is no clarity over what happens to that £300 million, should the developer go bust. It is not for Government to gamble public monies in this way. All it shows is that Government has failed to attract any inward investment. What a privileged group of developers they are to be able to tap in to so much funding for such a project with no risk to themselves. **(Several Members: Hear, hear.)**

The Government must publish the terms of its deal with developers, when this was reached and why there was no tender process for this huge project. It was all done by direct allocation. How very convenient for the developer. It is laughable for the Government to try and blame the GSD as they still do for so many things, despite being in office for nearly eight years. This project bears no resemblance to anything the GSD might have envisaged in 2011. This project is entirely of the Government’s making.

To summarise: a huge project funded by public money to the tune of £300 million with no tender – *(Interjections)* And Government’s response – *(Interjections)* And Government’s response to public enquiry –

Mr Speaker: If hon. Members carry on this way, I will have to take some action.

So let’s see if we can keep the temperature down, as I said – carry on for the next 12 hours until the end of the debate in the manner in which the debate has been conducted.

365 This is the first time that something has been raised which has discomforted some Members from the other side. Please try to avoid that.

Hon. T N Hammond: And Government’s response to public enquiry is not to publish all associated documents but to blame the GSD. Is it any wonder that people are suspicious?

370 Moving on, Mr Speaker, of course with so much construction we have a great deal of pollution.

When Government speaks of a climate change emergency is it even aware of how much CO₂ is created by the construction industry? Is it measuring this to determine our overall contribution? Globally, cement production alone puts 2.2 billion tonnes of CO₂ into the atmosphere, about 8% of all CO₂ production. How much are we contributing per capita? I fear it is significant when I see the amount of construction and yet we have unanimously acknowledged the global environmental emergency. How does Government reconcile these two opposites?

Of course construction is not just about CO₂. We have all had to live in a building site for what seems like forever, the pace of development increasing, not slowing down. The dust, the noise, the pollution from lorries, the traffic disruption leading to more pollution. It never ends. It is a ‘mark of success’ for this Government! Well, success can be measured in other ways, I assure you. We have to commit to a better environment.

385 Let’s talk about sewage treatment. Again Government promises and commitments fall far short of the reality. While other Government projects proceed at sometimes alarming rates, where money is no object, the sewage treatment plant project has been virtually stalled for the last seven years. We are given the occasional announcement as if to show that something is happening but then months go by before we hear of it again.

I am no longer sure how many times the Government has announced it has awarded the contract, we even saw an artist’s impression last time, but that was several months ago. At a

time when the Europa Stadium was still just a glint in Minister's eye, the sewage treatment plant was a firm manifesto commitment, yet the former project will ostensibly be finished a month from now, the latter not even started. Years of shameful pollution of the sea, something that in this day and age is utterly unacceptable – is this our commitment to the environment?

395 Issues at sea and the illegal activities of Spanish commercial fishermen remain unresolved. Mr Speaker, almost daily I am sent images of this activity. The authorities are well aware of it but seem not to act in any meaningful way. The main thrust of the objections I receive are not so much about the illegal fishing itself but at the inequity in the application of the law. Whereas local fishermen adhere to the rules and comply with any seasonal bans which may apply, while
400 they obtain licences and accept that they risk fines if they fail in any of these measures, they see, every day, illegal activity in those waters for which they are so careful to comply with the law.

Is it any surprise that they feel hard done by? Particularly when this Government, prior to being elected was so forthright in its commitment to stop illegal fishing. That policy has failed. It was never delivered and I would suggest that unless Government is intending to change tack
405 with respect to the line taken towards enforcement of the law in this area, and actually begin to apply the law equitably, it needs to admit its failure and come up with a different plan that is fair to locals as well as non-locals.

Mr Speaker, I turn now to transport and buses. Early in this Parliament, there was a discussion verging on debate, as you pointed out during Questions, over the bus fleet
410 replacement and the buy-back clause. The ambiguity centres around the Government's manifesto commitment which read, 'We will exercise that guaranteed buy-back so that we can once again acquire new buses that will be more accessible and useable by the elderly and disabled.'

While there was discussion then as to the interpretation of this commitment, it was accepted
415 that the buy-back would not happen immediately, as we first thought. However, we are four years down the line, with an election looming. It would be highly disingenuous of Government to suggest that a commitment made in their manifesto was not applicable within the term of the administration immediately following the election.

So I would ask now, whether the Government is actively engaged in acquiring new buses and
420 if so, is it looking at alternative types of fuel, in line with environmental objectives. Will an announcement be made before the election, in line with the manifesto commitment?

Sadly the sale of the old bus fleet, cheaply to a local service provider, has meant those buses remain on our streets. That arrangement can only be seen as a poor decision from an environmental perspective.

425 Shall we talk about parking?

A Member: If you want to.

Hon. T N Hammond: I'm not sure now. (*Interjections*)

430 A problem for so many, but not all of us. Of course we cannot all afford the asking rates for spaces at Mid-Town car park, no matter how much we would like a space or two there. Some fortunate souls were able to get two spaces for the price of one – indeed at current asking prices, two spaces for the price of half of one! (*Interjections*)

435 **Mr Speaker:** I am going to deal with that.

Some, which I understand from my reading of the media, of the press, amounting to 40? Is that correct? Some 40 fortunate souls? Is that what you are referring to? Some 40 fortunate souls – are you referring to that?

440 **Hon. T N Hammond:** I am not referring to any individual.

Mr Speaker: That has not come up in the debate. It has just been reported in the media, and I have been following like you have, like all have, the television. Is the number that you are referring to 40? Or is it just two? Is it 40 or two?

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Hon. T N Hammond: I am not referring to any specific number, Mr Speaker.

Mr Speaker: Ah, there is no specific number. I see. (*Interjections*)

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Hon. T N Hammond: *Some* fortunate. (**Mr Speaker:** *Some.*) *Some.*

Mr Speaker: And that 'some' is not 40?

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Hon. T N Hammond: That 'some' is neither two nor 40 nor 100 –

Mr Speaker: It is a number that you are making up?

Hon. T N Hammond: I am not making up any number; I am saying *some*, Mr Speaker!

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Mr Speaker: I asked you previously to weigh your words *carefully*.

Hon. T N Hammond: Mr Speaker, I have done nothing to the contrary.

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Mr Speaker: Because in fact you are making aspersions, you are anticipating, you are bringing up a new factor into the debate – something which may be covered in a motion which is before Parliament already, (*Interjection*) and which has been more than amply ventilated in the press and television recently.

If that is what you want to bring into this debate, then I mean, go ahead – if you want to. Carry on.

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Hon. T N Hammond: Mr Speaker, I reiterate that I have mentioned no individual and my goodness, there must be some guilty consciences about, if that line is taken with my words! Some fortunate souls were able to get two spaces for the price of one. That is a fact.

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Hon. Chief Minister: That is *not* a fact.

Hon. T N Hammond: Indeed at current asking prices, two spaces for the price of half of one. We are not all so fortunate.

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But Government even wants to cash in here. Some in Government already have, it seems – but I speak now of the Government as a collective noun.

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Knowing the public clamour for parking and well aware of the rules of supply and demand, they create new spaces and then, rather than rent them out at reasonable rates that people with a normal income can afford, as I must say they have done previously in other car parks, they sell them off at an eye-watering £30,000 each, affordable again only to a wealthy few. How I wish I had invested in a double parking at Mid-Town – I'd be quids in now!

It is not the job of Government to make money from the people who fund it. It is the job of Government to provide services to the community. This is a blatant attempt at profiteering, presumably in a desperate grab for cash to no doubt spend more money in this election year.

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The provision of more parking for locals is not at odds with environmental objectives either. The most significant link between cars and the environment is not the number of cars but the type of car being driven on our streets. I have already discussed at some length the need to move to cleaner cars and some of the measures required – and yes, people should be

encouraged to walk or cycle when that activity is made more pleasant. But we all have different circumstances and different needs where transport is concerned, and the demand for parking exists. It is not acceptable that Government should be cashing in on this demand.

Moving on swiftly from parking – which is a problem for some, but not all of us – it must be an election year because finally we see some road resurfacing taking place. Too little too late, and it is laughable to hear the Minister talk about Government’s road resurfacing ‘programme’, unless he means the programme where once every four years, we get a bit of resurfacing to coincide with an election.

We do need a programme to fix our roads. Their condition is not acceptable. **(Hon. E J Phillips: Hear, hear.)** Surfaces deteriorate rapidly through a combination of poor repairs and volume of traffic, not least all the lorries associated with construction. I wonder what proportion of the premium paid to Government for a development goes towards fixing roads around that development? Not much, I suspect, but the developer should be given more responsibility in this respect.

The general state of disrepair does not only affect our roads; pavements are similarly in poor condition, rutted and uneven. Government is supposed to be encouraging cycling and walking. The lack of maintenance in so many places does the opposite.

Until such time as we do a better job fixing up our roads and pavements – until such time as we improve the air quality on our streets – it does not even seem fair to ask people to walk or cycle. A cycle lane through Main Street and Irish Town, which most users do not understand the rules of, is not the solution. It is an accident waiting to happen – indeed it is an accident that in some cases, I have seen on social media, at least, already has happened.

Let’s really create an environment where such activities are amenable and I am certain that the rest will all follow.

In the same vein, let’s make sure that our streets are clean and that they stay clean. The Minister for the Environment said that the streets would sparkle after awarding the new street-cleaning contract. It has not really happened. We still rely on rain to do most of the work. Some of the old equipment being used seems to just recycle the dust, sucking it in at one end and spewing it out the other, with added fumes for greater impact.

Even recently built car parks are not being cleaned or maintained. I was taken through the Engineer Lane car park recently and shown many breakages that are not being repaired and a general poor state of cleanliness. The lift to Upper Town was not working, neither was the escalator, in the up direction at least.

So the car park was being used as a public thoroughfare. The same can be said in Mid-Town car park where upkeep seems very poor. Is that a principle that Government has chosen for its flagship projects – build them, and then forget about the cost of maintenance and cleaning? It really is not good enough, Mr Speaker. I would ask Government to review who is supposed to be delivering cleaning and maintenance services at these sites and either change contractor, or make sure the contractor is aware that services are not currently up to the required standards.

Refuse is still piling up along Main Street every evening; recycling bins are often filled to overflowing. Arguably the latter is a sign of success, but it is also a sign that we are not keeping apace of progress. Greater investment is required to deliver results and, in the meantime, dirt, grime and bad smells appear to be the order of the day.

All this should work towards making those necessary improvements to encourage people away from their cars. However, the necessary deliverables are not being delivered by this Government. They are doing a shoddy job in these areas with the result that Gibraltar has a shabby and congested feel about it. We are small: that makes dealing with the likes of congestion more difficult, but it should make other things, like keeping the streets safe and clean much easier. And if our economy is doing as well as Government claims, then this should not be a problem.

But it all seems to be going into the 'Too Difficult' box – which is surprising, because a Government with the majority that this Government has, you would think would be delivering on all the difficult things, comfortable that its position is unassailable. Yet when it comes to making difficult decisions in these areas, it has baulked. It has bottled it, to use the vernacular. It has not delivered on the promises it has made, let alone taken the opportunity to go beyond these.

I take no comfort from this. *(Laughter)* No, I don't! The environmental emergency we face globally and locally is real. We have all agreed that, but actions have not followed words. We need a change. We need courageous leadership to do what needs to be done.

The intervention on the environment by Sir Joe, who sadly is not here this afternoon, was very welcome and I agree with much of what he said – in particular, the miniscule impact that actually our community has on the global environment. Clearly we are very small, and our impact therefore has to be very small.

However, this should not deter us in any way, because where we might be influential is in setting an example to the rest of the world. We could be a jurisdiction that is admired for its environmental programmes but we have a lot of catching up to do. Unfortunately, at the moment, we are far from leading in this respect and we really must do better – and we can do better, but we need to have the courage to do so.

Finally, Mr Speaker, I would like to thank yourself, Mr Martinez, the Clerk of the House and all his staff for the help and assistance they have provided throughout the year.

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

Mr Speaker: The Hon. Albert Isola.

Minister for Commerce (Hon. A J Isola): Mr Speaker, just so we can be clear from the start, I am a cheerleader. I am very proud to be a cheerleader – *(Banging on desks)* thank you – in defending the incredible work that this Government has done over the last few years and getting ready for what is coming in the rest of the year.

Mr Speaker, I say that because clearly the Members opposite have woken up to the fact that it is election year – they have been hibernating for the past three years and suddenly woken up while this Government has been getting on with the work of looking after our people, for caring for every single section of our community as only we know how.

It is interesting, Mr Speaker, that Mr Hammond should now come to this House and begin to lecture my good friend, Mr Cortes on the environment and on our wildlife and on LNG and on everything else. Mr Speaker, I think he should dedicate himself to plane spotting and leave the environment and the wildlife to Mr Cortes, because truly, as everybody in this community knows, there is nobody like Mr Cortes when it comes to caring for the environment. The work he has done these past few years is absolutely, frankly, incredible by comparison to anything that has ever happened before.

Indeed, even Mr Feetham, my good and learned friend, in his impassioned speech on African elephants, lauded the praise on Mr Cortes that he richly deserves. So like Mr Feetham I am very pleased to say that I have every confidence in the good work that Mr Cortes does when it comes to our environment and for caring for our wildlife as well as everything else that he does. **(Several Members: Hear, hear.)** *(Banging on desks)* **(A Member: Wonderful start.)**

And then of course, Mr Speaker, Victoria Keys: my family has been involved in property development for a very long time – Portland House, Europlaza, King's Wharf, Quay 27, Quay 29, Quay 31. Mr Speaker, when you talk about direct allocation and you talk about Victoria Keys in the same breath, if you are a Member of the GSD, you need to be careful what you are saying. **(Several Members: Hear, hear!)** because the Coaling Island development was given to the developers of Victoria Keys by direct allocation **(A Member: Oh!)** by the GSD. **(A Member: Oh!)** Mr Speaker, it is interesting, because I was in that room when the GSD did the direct allocation

as the lawyer for the developers. I sat through and watched, and I thought ‘Crikey, this is good!’
 595 That is how the GSD used to do it, Mr Speaker, and I sat there and I witnessed it – and I am a beneficiary of it, linked to Minister now, but not then.

So when you come and talk to this Parliament about direct allocation, about no tender, (Interjection) isn’t it time you began to understand what has just been explained to you by the Chief Minister yesterday, who went through with great care and detail precisely what happened,
 600 what was old, what was new, the same developer was linking up with new ones who have made proposals, all coming together, local developers in the interests of producing more land for Gibraltar?

Mr Speaker, I do not understand where direct allocation, no tender and no risk to rich developers ... He really needs to listen a bit more and I think, like many of his colleagues, if he
 605 listened a bit more to what is coming from this side of the House, they would actually be much better informed – more of that in a moment.

Mr Speaker, political parties need to have some consistency. You cannot do direct allocation, direct allocation and then come and say, ‘You’ve done direct allocation’. Well, actually, I haven’t; you’ve done it yourself!

610 Surely, Mr Speaker, some consistency, some philosophy, some ideology, some *raison d’être* – there must be something behind a group of people who form a political party. But in the case of the GSD, it seems to be completely devoid of any such thing. But it has not always been the case, Mr Speaker. The old GSD – people knew what they stood for; people knew what they were voting for. People knew that that party represented *something*. Who in Gibraltar today knows
 615 one single thing that the GSD stand for? I do not; and I suspect that the majority of the people in Gibraltar do not either. Many of my friends used to be followers of the GSD, but like me, they do not know what they stand for today. (Interjection)

In the days of Mr Feetham as Minister for Justice, you knew what it was you were voting for. But today, what are you voting for? Are you voting for a platform with the GSD or the PDP,
 620 something in between, maybe a bit of Together Gibraltar? And maybe a bit of GSLP ideas – who knows?

But the inability to have any form of honest political philosophy is completely devoid in the GSD of today. Indeed, it may well be, Mr Speaker, why, when they held their recent party gathering in an empty John Mackintosh Hall, (Laughter) both Sir Peter and Peter Montegriffo
 625 opted to do video recordings rather than be there. I assume because they were talking about the past and not the future.

Mr Speaker, the GSD of yesterday supported good business relations, supported relations with Spain – dialogue with Spain, even. Today, this GSD talks about going into Government, tells us that we should get a better deal with their European partners and the first thing it intends to
 630 do is rip up the tax treaty. Well, that is one hell of a way to get good relations with your neighbours and to foster a free-flowing frontier, which is what they tell us they want.

Chief Minister (Hon. F R Picardo): And access to the Single Market.

635 **Hon. A J Isola:** And of course to maintain access to the Single Market. Why the heck not? (Laughter)

Mr Speaker, isn’t it remarkable that our friends on the other side of the floor live in what I can only deem to be Cuckoo Land?

The issues ... it almost makes us feel like saying ‘Bring back Jaime Netto’ (Laughter) because
 640 at least with him we knew what he would talk about and he was at least straight in his thinking and philosophies.

Mr Speaker, they say again this year for the third time that they are going to vote against the Budget. Yet, isn’t it remarkable that the reason why they vote against the Budget ... obviously because they are so consistent, and they always have this philosophy, even though it is only

three years old. Isn't it true, Mr Speaker, that every single thing that we have done in that book is exactly the same thing that they used to do in their book? (*Banging on desks*)

Well, Mr Speaker, you can wave your finger, but I will prove to you why your finger is wrongly being waved. (*Interjection*) Well, keep waving because you are going to get tired of waving it by the time I have finished.

Mr Speaker, they talk about all the ... the Leader of the Opposition, Mr Phillips, says all these lovely sounding things – meaningless, all of them, but lovely sounding. 'Sir Joe's health warning does little to provide security to our families.' 'Failed our young people'; 'we are servants of our people.' 'We are setting out our priorities.' But he says, interestingly, that we have an addiction to spending. That is what he said: we have an addiction to spending.

And then he says, 'Our priorities are education' – hmm, I think we are doing a bit of that. 'Homes' – I think we are doing a bit of that too. 'The best health care possible for people, especially in their later years' – we are doing a bit of that too. 'That the vulnerable are looked after and cared for'; 'that the land is used wisely and maintains green areas and development' – well, we are doing both of those too. 'That we promote our sectors internationally' – we are doing that too – 'and that we support the private sector, the engine of our economy' – well, Mr Speaker, having told us that we are addicted to spending, he then goes on to lay out all the areas in which we are spending. Has he not realised that we are ... new primary care centre, new children's medical facility, new schools for the young and also the older, new housing for our people, new parks for our families, a new clean and efficient power station and improved policing. We are investing in our future.

But he says we are addicted to spending, because the GSD is the party of 'do as I say, but not as I do.' In 1996 – and I know that is a long way back, Mr Speaker, but it is another example of a way that these people operate. They came and they told us we are going to have regular meetings of Parliament. We are going to have an open planning system. We are going to get rid of this shocking use of companies. Sixteen years later, having been in Government for that period, did they deliver? Absolutely not. More companies than ever before; less parliamentary meetings than ever before; and a planning system as devoid of public participation 16 years later as on the first day when they started.

So to what extent, Mr Speaker, should we listen to what they tell us? Sometimes, it is worth looking at what they say, but looking at them at the same time as we look at the facts. It is important that we look at the facts and we understand precisely what they are saying.

Mr Speaker, the hon. Member Mr Phillips came to us and told us that that the Book showed, on head I don't know what it was, £1,000 for ... (*Interjection*) oh, it was Mr Clinton, I apologise. He told us of £1,000 on the schools, I think it was. Mr Speaker, how on earth can we say the schools are going to cost £1,000? The first thing that I would say to the hon. Member – and he should know this, and I am surprised that he does not – is that it makes perfect commercial sense when you are negotiating with someone –

A Member: You signed a contract.

Hon. A J Isola: – not to put the amount of money in, because it could prejudice some of your negotiating processes and procedures. It makes perfect commercial sense, Mr Speaker. When I refer to these little pink papers in my hand, it may come round to let him understand a little bit better.

Mr Speaker, the GSD Government, 2003, Improvement and Development Fund – the very same fund he refereed us to in his address yesterday. Gibraltar Development Plan, £1,000; Strategic Fuel Reserve, £1,000; Casemates Museum, £1,000; page 122, 15 years ago – well, give me a bit of time, I will catch up! (*Laughter*)

It did not just happen once; it happens every single year. He has been here for three years. Has he still not understood that it happens every single year? He comes to this House and he

tells the people of Gibraltar, it is disgraceful that they put £1,000 when you have been doing it for 16 years. That is disgraceful, Mr Speaker. That is disgraceful. *(Interjections)* I will come to that! We will come to the £100 million, Mr Speaker.

700 **A Member:** Which is already spent, apparently.

Hon. A J Isola: That was 2003. So in order to appease Mr Phillips, let's go to 2004 – it is a bit closer. Relocation of civil prison, Improvement and Development Fund, £1,000. Mr Speaker, I do not think it would have cost £1,000 to build a new prison. Anyway, GSD, pink paper, estimates, 705 Improvement and Development Fund, if he wants to check, page 111.

In 2004, a new incinerator – good God, that must be expensive! No, £1,000. Good God! How can this be possible? How can Mr Clinton, the man who gets all his numbers right and knows everything about numbers, be getting this so wrong?

In 2004, Gibraltar Development Plan, £1,000; Beaches Development Scheme, £1,000.

710 Let's skip a few years, shall we? Let's bring it closer, Mr Phillips – 2008, incinerator and sewage treatment works. They are still there – do you remember the incinerator a few years before, that Mr Phillips was talking about now? It is there too. Page 104 – 2008, incinerator and sewage treatment, £1,000.

Mr Speaker, 2009 – now this one will make you laugh – new airport terminal building. 715 **(Several Members:** Ooh!) £1,000. *(Laughter and banging on desks)* They were better than we were, if they could build that for £1,000! **(Hon. Dr J E Cortes:** £84 million!)

New Government rental housing scheme, £1,000. **(Hon. S E Linares:** You're cheats!)

Strategic fuel reserve, £1,000 – Mr Speaker, the strategic fuel reserve is something that you put into the estimates every single year. He cannot say they had not negotiated before, if you do 720 it every single year, but it is £1,000 too. Not once; almost every time.

Mr Speaker: It was cheaper in the days of the AACR – it was only £100. *(Laughter)*

Hon. A J Isola: Mr Speaker, it is a technique which is very common, and anybody like yourself 725 who has been in Parliament will fully understand the reasons as to why.

If I can just look at one little point: Mr Clinton told us that it was remarkable that, with Brexit looming, we had not made any provision. He told us he had been studying these estimates and these accounts for three years and he did not understand why we had not made any provision for Brexit.

730 Well, Mr Speaker, if the hon. Member looks at the provision on page 152 for supplementary funding, he will notice that the estimate last year was £9 million – forecast typed in, 0 – and that this year, the estimate is £10 million. Page 152. If he asked himself why further provision has been allowed in the supplementary provision, part 4, extra funding – seeing as he spent three years studying the book in depth – I am sure he would have spotted it. I do not quite understand 735 why.

Now, Mr Speaker, the hon. Members say that – *(Interjection)* Well, I did not hear him asking the question: why is it always £9 million and this year it is £10 million? If I studied the book closely, I do not think I would miss a million – not quite that easily, anyway.

740 **A Member:** He is not very good, really.

Hon. A J Isola: He is not very good with his numbers, that is the problem. And I am useless with numbers, so that is saying something! *(Laughter and interjections)*

745 Mr Speaker, the hon. Member talks about everything going through companies. Well, everybody knows, Mr Speaker, that the use of companies for Government expenditure is a trick they taught us and it is something that has continued ever since. But Mr Speaker, when he

says – as does Mr Phillips – that this is opaque and this is not transparent and that this book is not fit for purpose – every single thing that they complain of is actually in the public domain. If you go on the Government website, and you look at the quite spectacular budget presentation put there by the Chief Minister, it actually goes to the detail of telling you every single project that is ongoing and has been completed. *(Interjection)* Well, we will talk about transparency now. *(Interjection)* Well, Mr Speaker, let's talk about that, shall we, first, before I move on to these lovely pictures?

Mr Speaker, the hon. Member says, why is it not in the book? Well, for exactly the same reason that is was not in the book when the GSD were there – or has he not gone back that far? It is a very standard practice in all Governments for very good reason.

The hon. the Father of the House, Sir Joe Bossano, has explained at length, but I honestly think, why bother? Why do we bother explaining? We give all the explanations and we get the same written speech immediately afterwards. There is no point in wasting the time explaining, or the breath. *(Interjections)*

Anyway, when the Opposition says, Gibraltar deserves better, as I said last year, they really do. This Opposition needs to go. **(A Member: Hear, hear.)**

Mr Speaker, the website – I urge Gibraltarians to go on to the website, look at the page with a wonderful photograph of my leading cheerleader, and he says, 'A Budget of confidence.' This is a serious Budget, for serious times, by serious people – every generation provided for, every generation cared for, every generation with us as these spending plans propel this nation of ours towards a bright successful future.

And if you go there and you click on 'Selection of Capital Projects', you will see that some have, all over Gibraltar, little markers, the red and the blue. The red are companies and the blue are the Government general account in the book. So if you want to see how much this secret Government, who is so not transparent, has spent on each, you put your mouse on top and it tells you. It is really complicated so I have to apologise if the hon. Member's finger cannot reach that far. *(Laughter)* But for the rest of the people in Gibraltar, I would urge them to go on to that website, look up 'Selection of Capital Projects' and see every single current project and ongoing project, and see if it is funded by a company where it will tell you which company it is and how much money is being spent. Don't come and talk to us, Mr Speaker, about transparency. *(Interjections)*

Hon. Chief Minister: I announced it during my speech. He just wasn't listening. He read out the speech he had written on Friday.

Mr Speaker: Will hon. Members please desist from making any further exchanges across the floor of the House? I have allowed this for about 15 or 20 minutes as the temperature rises, so that we do not fall asleep, *(Laughter)* but I would ask Members not to make these exchanges across the floor of the House.

Hon. A J Isola: Mr Speaker, I thank you.

They then move on to talk about – if I could just go back very quickly – they talk about the economy being on a cliff edge, on life support, that it is opaque and flawed.

Mr Speaker, just a month ago the hon. Member, Mr Clinton asked us how the negotiations were going with the renewal of the Barclays loan. It seemed an innocuous and general question. So, do you honestly ask Government, 'How is it going with the renewal of the Barclays loan?' It is going absolutely fine, and then you say that our economy is on life support. Then you say that our economy is at a cliff edge. Well, if you who used to be a banker were sitting there looking and listening and hearing the Parliament talking about the economy being on a cliff edge and you were lending money to that jurisdiction, I think it is the height of irresponsibility for Members Opposite to make these crass statements. The height of irresponsibility. Especially

being a banker, when he knows full well what the implications of those statements are and the colleague to the left is a lawyer who should also damn well know that it is not good for his jurisdiction to say such things for political ends, when he knows they are not true and, to make matters worse, could jeopardise some of our funding. The height of irresponsibility, Mr Speaker.

But of course, if that was not enough, they then talk about Brexit. Mr Phillips tells us we should recalibrate, that we should engage with the European Union to see what sort of relationship we want with Europe – as if it was our choice. Which planet are you on?

Are the hon. Members not aware that the Chief Minister and the Deputy Chief Minister – and the whole of our community recognises this, the whole of the community knows – that they have done an incredible job on Brexit? Where everyone has complete uncertainty, we have certainty. Our businesses know they can carry on accessing the UK market, whether in financial services, whether in gaming. We are the only jurisdiction in the world that has that. And you want to recalibrate our relationship – really, again, the height of irresponsibility.

Mr Speaker, I have to again, as I said last year, congratulate and commend the excellent work of the Chief Minister, the Deputy Chief Minister, Michael Llamas, Albert Mena and the remainder of the negotiating team whose efforts the whole of Gibraltar owes a huge debt of gratitude for. **(Several Members: Hear, hear.) (Banging on desks)**

If I may now, Mr Speaker, move swiftly on, rather more boringly, to deal with the remainder of my address.

Mr Speaker, our major focus on Financial services this year has been threefold: (1) to complete the Legislative Reform Programme with the introduction of the Financial Services Bill – and I am grateful to the Hon. Mr Feetham, who I will be engaging with in respect of that Bill and its passage through Parliament; (2) to progress our arrangements with Her Majesty's Government to maintain access to the United Kingdom market post December 2020; (3) to continue to work with the private sector to review and improve our product line, and to get out and tell the world what we have to offer.

I am very pleased to report, Mr Speaker, that we have made significant progress in each of these areas and that we continue to enjoy the confidence and support of our entire sector in achieving each of these aims.

Before diving into the detail of these areas, I must thank the Finance Centre Council, its Chairman, Marc Ellul and the Committee for their interaction and valuable counsel these past 12 months on all things financial services. They are an important stakeholder and their input is always welcome and constructive, even when we do not agree.

As hon. Members know, we have recently published the Financial Services Bill: a modernisation, consolidation and improvement of our over 80 pieces of legislation coming into one; a Bill that introduces the Decision Making Committee (DMC), which will be comprised of independent persons from the local sector who will be the Committee responsible for the implementation of any enforcement action or sanction. This check and balance on the Regulator has been widely welcomed by the private sector and especially by the Finance Centre Council. This is just one of many changes that the Bill will introduce to the sector and that we are working our way through with them. We intend to pass the Bill with the support of hon. Members and then bring this into effect after the summer, allowing the sector to be fully acquainted before we implement. We will of course continue to work with the sector and the hon. Members opposite on the Bill throughout this period to correct any defects or deficiencies. For example, the Finance Centre Council has recently requested that a complaints procedure be introduced on the conduct of the Regulator, and we will be introducing this change.

I must thank all professionals that have supported us on this journey. Consultations started in 2017 and we have worked through with the sector many of the new parts of the Bill, taking their views and counsel into account as we brought this work together.

I must thank the entire team but especially Ernest Lima, Julian Sacarello and Jimmy Tipping, who have been the core team with drafters working on this project over the last three years.

With respect to access to the United Kingdom market, as Members are aware access has already been agreed and announced. We have this year been working with HM Treasury to agree the UK access for the period post December 2020 and to ensure we enjoy regulatory alignment with the United Kingdom. A process was agreed at the JMC meetings – which we are not going to recalibrate – in London, and the insurance sector was chosen as the object of the review due to the large market penetration of Gibraltar insurance firms in the United Kingdom.

The objective of the review was to compare the outcomes of the Gibraltar system of regulation with that of the UK and to highlight any areas that may require further work or attention. These areas have now been identified and we continue to work with HMT to align these outcomes.

Mr Speaker we have worked in very close co-operation with the team at HM Treasury, with whom we have developed an excellent relationship, and I would like to sincerely thank all of the HMT team but especially John Macartney, Hannah Malik and Becky Morrison for their frank and considered approach to this work.

Separately, Mr Speaker, we have also worked on the drafting of all relevant legislation by the UK in terms of Statutory Instruments providing for continued financial services market access by Gibraltar, in all areas of passportable activity in the event of a hard Brexit and these have been published now in the United Kingdom. In Gibraltar a similar drafting exercise was carried out so as to allow for reciprocal UK single market access in financial services for such an event. I must thank the local team of professionals who have supported this work and especially Sir Peter Caruana, Peter Montegriffo and somebody who is linked to me, Peter Isola. Their support has been invaluable both to us and HM Treasury in getting this important work right.

I must also, Mr Speaker, thank our Attorney General, Mr Michael Llamas QC, who has been working with us and supporting us in every aspect of our work with the United Kingdom, and especially in all aspects of our UK passporting rights in financial services. He is a rock of wisdom in these areas and a pillar of support, and I am most grateful to him.

Mr Speaker, in product and business development, we have always worked closely with the private sector to improve our product line, to welcome innovation and to work together in identifying new lines of business; but always in a manner that is safe for our jurisdiction and compliant with our international obligations. This year we have achieved this yet again and there are further product changes in the planning stages. My thanks to all the sector representatives for their excellent work in this regard.

Mr Speaker, we have also worked very hard to ensure the world understands what we are doing by focused marketing in our target jurisdictions. It is no coincidence that business is coming to Gibraltar from the areas we are targeting and this will continue.

Mr Speaker, the DLT framework has continued to grab much attention all over the world and I am delighted to announce that there are now eight firms fully licensed, with a further eight firms licensed in principle and soon to be completed. There are other firms at earlier stages of the process and we are also aware of complementary applications lodged for other financial services activities, including e-money institutions and banking. There is undoubtedly more to come and exciting times lie ahead. We will continue to innovate and lead in this sector and I look forward to making further announcements in the coming months.

Mr Speaker, since my last address, we have pushed the Gibraltar proposition as Gibraltar Finance to London, Manchester, Amsterdam, Brussels, San Francisco, Zurich, Tel Aviv – hosting our first Gibraltar Day event there – Vilnius, Dubrovnik, Washington, New York, Santiago, Dubai and Bahrain. The pace is unrelenting and it will remain so as we continue to accrue a significant return on our investment.

Closer to home, Mr Speaker, I am delighted – and this has been referred to already by my learned friend the Minister for the University, Gilbert Licudi – the New Technologies in Education (NTiE) Key Advisory Group came into existence. This is a collaborative endeavour between the Government, the University and private firms active in this sector. The Chair, Nadine Collado and

900 fellow committee members have hit the decks running. The University has already delivered educational courses to students and on an in-service basis to relevant members of the teaching profession in Gibraltar. In May 2019, the first Certificate of Competence in Blockchain and Smart Contracts was delivered. I must take this opportunity to recognise and thank those private sector firms that have joined us in giving hugely of their time and considerable expertise to the
905 delivery of these courses supporting the efforts of colleagues in the University. We will continue this great work next year.

Mr Speaker, another significant milestone was the creation of the Gibraltar Association for New Technologies (GANT) earlier this year. This representative body now boasts 40 members and is reaching out internationally to similar representative bodies to create relationships
910 through which exchange of ideas and best practices can occur. Again, Mr Speaker, there will be more information in the coming weeks and months in that regard.

Mr Speaker, my one regret this year is that we have not yet delivered the promised 'Token Bill'. I had envisaged that this legislation, complementary to the DLT Regulatory framework, would be in place and operative by now. The world we were seeking to regulate has changed
915 significantly and the working group has needed to adopt a change of direction on more than one occasion. I am confident that we now have, and will deliver, an appropriate Bill that is fit for purpose and supportive of industry goals and ambitions.

Mr Speaker, we have also worked closely with the Gibraltar Funds Association (GFIA) both in product development and of course in business development. They are great partners of
920 Government and fully understanding of the power of working closely together for the benefit of the jurisdiction. My thanks to James Lasry, Jay Gomez and the rest of the Executive Committee of GFIA.

Mr Speaker, Gibraltar's important insurance sector has continued to perform well over the last 12 months.

925 Advantage Insurance joined Admiral in writing over £1 billion of gross premium income from Gibraltar over the last 12 months. As reported at the Deloitte Insurance Seminar last September, Admiral and Advantage, as part of the 'big is beautiful' category, were two of the largest and most profitable insurers writing UK motor business in 2017 and their 2018 results were equally impressive.

930 The acquisition of Markerstudy and Zenith insurance companies by Qatar Re, which was announced in January 2018, closed soon after my Budget speech last July. Qatar Re now writes over £750 million of gross premium income from its two Gibraltar insurers and further growth is expected in the next few years.

Finally, on insurance, Mr Speaker, we are also working with a group of insurance industry
935 experts and the GFSC to develop a wider and more flexible Managing General Agency offering from Gibraltar or, to use insurance language, MGAs. We hope to create an offering to encourage new MGAs, who are supported by A-rated insurers, to establish in Gibraltar. This initiative also aims to focus on attracting Insurtech businesses that can leverage off Gibraltar's vibrant FinTech sector.

940 Mr Speaker, I am delighted to join the Chief Minister in congratulating the team at Gibraltar International Bank. Ahead of time and in times of much uncertainty, they have turned the corner into profit, and spectacularly so. The achievement is significant and I am hugely proud of the work of Lawrence Podesta, the CEO and Derek Sene, the COO in making this happen, of course with the full support of the entire staff. My thanks also to Albert Langston, the Chairman of the
945 Board and his fellow Directors for their excellent stewardship of this institution. The decision of this Government in 2013 to deliver this Bank was inspired and necessary, and an investment which benefits the whole of Gibraltar.

Mr Speaker, I must also mention our 2019 Moneyval evaluation. A huge amount of work has gone into preparing for this evaluation, both in the public and private sectors, and it has been a
950 real and genuine partnership. This was the only way we would do our jurisdiction proud. I must

thank all those involved and especially acknowledge the excellent work of David Parody and Superintendent Edgar Lopez. The work is ongoing and I am cautiously optimistic that we will have an evaluation which we can work with to continue to improve our compliance and remedy any shortcomings effectively and efficiently.

955 I must, Mr Speaker, thank Mr Jimmy Tipping, the CEO at Gibraltar Finance, for his continued counsel and excellent work and all his team for their significant support during the year. In particular, Mr Speaker, Mr Paul Astengo for all his work on DLT. He has been outstanding in his endeavour to promote our jurisdiction internationally and I am most grateful to him. Mike Ashton and Tim Haynes have continued their work in pushing our Insurance and Funds sectors
960 and we are fortunate to have this strong and dedicated team with us.

Mr Speaker, I turn to the gaming sector.

The combination of the remote and land based sectors provides employment, as the Chief Minister said, for some 3,800 individuals. This, Mr Speaker, is an increase on last year, and almost double what it was in 2011.

965 The sector continues to make a very significant contribution to the economy in terms of corporate tax, PAYE and gambling charges and fees, and the Gambling Division continues to provide significant value for money, with modest operating costs of only £840,000. I am grateful to Andrew Lyman, our Gambling Commissioner and his team for doing this difficult work so professionally and with such competence. Andrew is a joy to work with and his calm and expert
970 approach to our challenges and opportunities bodes well for our future.

As outlined in my speech last year, the basis of the charge for gaming tax has been transitioned to a more progressive base; whereby B2C operators pay 0.15% of actual gross gambling yield – which is uncapped. Licence fees for operators have risen, to more properly reflect the cost of regulation, but overall the changes are broadly budget-neutral.

975 We are grateful to the operators for their co-operation in transitioning to this new system and I would like to convey my thanks to the Licensing team for the way they have coped with what was a significant and challenging administrative change.

Last year, I touched on the uncertainties created by Brexit and those concerns, and as recent statements have shown, we continue to work with operators to support them in managing these
980 issues. I am especially grateful, Mr Speaker, to those operators who have made a huge effort to maintain some of the staff being let go by 365 and recruiting them to their firms in Gibraltar because these are the ones who did not want to leave. There is a report in today's *Chronicle* reflecting that work.

Mr Speaker, this year we have spent considerable time with operators, particularly our
985 biggest B2Cs, agreeing contingency proposals for structural changes that guarantee continued access to EU markets. As the leader of the GSD tweeted recently, there is no link between the tax treaty and the move of parts of the business of 365 to Malta – but if there were, we should be in the process of being congratulated for all the others that are staying, despite what he terms the 'tax treaty'. It is, Mr Speaker, as you will gather, absolute nonsense.

990 That said, most operators are choosing to leave critical mass here and do not want to uproot from Gibraltar. Gibraltar has historically provided a significant growth and supportive business and tax environment for those operators and the discussions at the recent KPMG eSummit reflected a renewed confidence in our jurisdiction.

Operators will, in the end, make their own decisions based on their own risk assumptions,
995 their own strategic plans and their own interpretation of a currently uncertain future. They may be influenced by mergers and acquisitions activity, cost pressures, expansion into new markets and perhaps just the fact that they believe doing something may be better than doing nothing. That is the real world of commerce.

But what we do know, Mr Speaker, is that operators will know that they will not find a more
1000 supportive Government, a more supportive regulator and a more straightforward and fair

political, constitutional and legal environment in which to conduct their businesses than in Gibraltar.

This year, we have issued 10 new licences to six companies, split evenly between B2C and B2B; we have seen the emergence of two well invested gambling start-ups; and we continue to talk to our operators and prospective licensees about future business plans centred on Gibraltar. New gambling markets are opening up and many see Gibraltar as a base for launching into new markets and from which to forge new strategic partnerships. With the uncertainty of Brexit, it is a testament to our jurisdiction that we continue to attract quality business to our shores.

We also think there is a major opportunity for operators to expand safely into Asian markets from Gibraltar.

This year will be a year of change. A modernisation programme for future regulation is already underway. The 2016 report into legislative and regulatory change was delayed due to the Brexit vote and the work we had to do on gaming tax.

The report authored by the four Peters – Caruana, Howitt, Isola and Montegriffo – still contains many relevant recommendations, but with giant strides being made in technology infrastructure, such as the growth of the cloud and API use, we now need to build on that report through industry consultation and deliver a regulatory regime that is fit for the future.

This summer will see the start of this programme to expand the basis of licensing and to update the underlying regulatory codes.

Mr Speaker, the liaison unit continues to provide a necessary and worthwhile service to the Gaming and Finance sectors. DLT businesses now also benefit from these services. Lizanne and Tania work very hard to ensure that public service processes can be streamlined as much as possible. They work closely with a number of Government Departments and I am glad to say that the industry strongly and continuously praise the excellent work that they do.

Mr Speaker, this year the Office of Fair Trading has focused most of its efforts in two main areas: (1) on anti-money laundering and counter terrorism financing responsibilities in preparation for Gibraltar's evaluation by the Council of Europe's Moneyval assessors; and (2) on the work with the Chamber and the GFSB to update and modernise the Act to deliver the improvements the Chief Minister referred to in his address yesterday, as well as empowering the OFT to deal with those not complying.

During this past year, the OFT's role as a business regulator has continued to develop. In order to maximise its effectiveness, the Fair Trading Act is being reviewed and updated to create a more appropriate and mature framework within which it can operate. The ongoing review has been expanded from simply reviewing the licensing provisions to a more general review of the Act, which now also includes a review of the consumer protection provisions.

The Gibraltar Federation of Small Businesses and the Gibraltar Chamber of Commerce is actively involved with us in this process and I am excited to announce that I expect to be able to present the substantial revisions to Parliament soon. These will provide a new licensing procedure that will deliver certainty, efficiency and simplicity. This will no doubt be welcomed by the growing business community which, since the OFT's inception in October 2015, has consistently seen licence applications increase year on year. This past year was no exception.

In addition to the work on the Fair Trading Act, I have worked with my colleague, Minister Balban on a consultation document affecting business licensing and enforcement. This has stretched from tables and chairs licensing to harmonising the licences issued by Government in this area, as well as our ability to ensure these are properly enforced in a timely manner. Draft legislation is being prepared as a result of this consultation.

Mr Speaker my sincere thanks to Francis Muscat, the CEO of the OFT and all of his team for their energy and commitment in driving the improvements referred to, as well as maintaining their business-as-usual work. Further announcements will be made shortly as we ask them to further enlarge the services they offer to our community.

Mr Speaker, I now turn to my responsibilities for the Royal Gibraltar Post Office (RGPO). I would like to commence by saying that I am very pleased to have recently announced that the collective agreement in respect of the Postal Grades and Post Office employees at the Mail Centre and Parcel Stores was signed after lengthy negotiations between all parties. We all worked in a fruitful and constructive manner to conclude these negotiations. We had delicate and difficult discussions with the shop stewards and Unite, and I am most grateful for their professional manner in enabling both sides to reach a fair and reasonable result. They are a credit to the men and women of the RGPO.

The new agreement introduces further flexibility in working practices which have become more relevant as technology is increasingly used by the RGPO to provide improved mail related services. I must thank the HR team led by Collin Yeo, Lyzanne and Nadine, who consistently provided invaluable knowledge advice and support in undertaking the review and stitching together the Collective Agreement. Their work has been instrumental. My thanks also to Unite the Union for their continued involvement in the review and the efforts made in making the final outcome of interest to all parties. This really has been a team effort.

Mr Speaker, I must especially thank Mr Gareth Flower, who led the review on my behalf for his excellent work. Gareth has been instrumental in guiding us through the past 18 months, and negotiating a path which will undoubtedly be the basis for the future success of the Post Office. He has worked with HR, the shop stewards, Unite and the staff to prepare us for the future. My thanks to him.

Mr Speaker, a clear direction has been established in order to build upon the work already commenced during the RGPO review and that has already led to positive progress. During the course of 2019, we will be rolling out new services, including an electronic parcel notification system that will gradually replace the printed notification cards and a new RGPO website with improved tracking software and updated postage calculator options which has already been launched. There is lots more to come.

We have also experienced a substantial increase of incoming parcels due to the continuous growth of internet purchases. During 2018, the total incoming volume of parcels alone processed by the Mail Centre was of 127,487 parcels, between EMS, Parcel Posts and Packets – an increase of over 5,000 over the previous year. All incoming and outgoing mail in Gibraltar is now processed electronically via the International Postal System (IPS) which provides the RGPO with the means to have an accurate and comprehensive view of its mail movement covering every point between origin and destination.

Mr Speaker, we have exciting plans for the future of the Post Office and I am delighted that we have engaged a new Director of Postal Services with over 20 years' experience in international mail order fulfilment and e-commerce operations to assist us in delivering this service. Glendon Martinez joins the Government after working many years for the Philatelic Bureau. He is already producing excellent results and the Government is very lucky to have him at the helm of the RGPO. I have every confidence in his ability to manage the organisation effectively and drive success.

I must also thank the staff of the RGPO for their work this year. They like I fully understand we have an opportunity to significantly improve the work we do, and we are determined to do so. Watch this space.

On a sad note Mr Speaker, I must record our most sincere condolences to the family of Mr Frank Bado who we lost recently. (Banging on desks) Mr Speaker, Frank was a gentleman with uncompromising principle and always ready to roll up his sleeves and do whatever was asked of him, and in quick time. May he rest in peace.

Mr Speaker, moving to the Information Technology and Logistics Department (ITLD) and turning to technology, during the past year, the key areas being worked on by ITLD, as in every year, include everything from enhancing physical network infrastructure at the Gibraltar

International Airport to enhancing communication devices and cyber security capabilities to protect the Government corporate network.

The challenges ITLD face on a daily basis are as diverse as they are unique. The range of systems and software platforms they maintain and service is quite considerable. Every aspect of our connectivity is managed by them and as we move to the new digital world, their responsibilities will further increase.

Mr Speaker, the Government continues to invest in enhancements to the Government network, its security and connectivity standards. The challenge is to build a digital society that is both resilient to cyber threats and equipped with the knowledge and capabilities required to maximize opportunities and manage risks.

From data analytics, to cyber security to user experience, the aim is to make the best use of technology, driven by the purpose of bringing citizens and businesses closer to an interactive Government.

I am sincerely grateful to Tyrone Manasco and his entire team at ITLD for their dedication and professionalism. Their work is deeply appreciated and necessary and their importance as we move to a digital government will continue to grow.

Mr Speaker, the work being done on eServices is transformational. Everything we do has been studied and analysed to understand the processes we undertake to transact business. These will be automated and result in improving the service and user experience, as well as making it more efficient.

Over the last two years, Mr Speaker, we have assessed our hardware and software infrastructure and we have evaluated our security infrastructure. We have looked at how we are networked, how we store and move data and what our future requirements may be. We have also considered how we interact with each other and how we propose to interact with businesses and users of the new platform.

This has led to the design of systems and acquisition of software which will enable the whole of Government to work on one procurement system, one finance system, one HR and payroll system. We will have one customer facing system. Gone are the days of different systems that worked in silos – we will all now be connected and automated. This will not be easy and we are dealing with training and integration as we speak. Change is never easy, but we all know it is right to invest in this technology and it will not be long before we begin to see the benefits of working efficiently and effectively.

Once we have the finance systems in place, which we expect to happen shortly, the digital part of the project will then commence in earnest. The Employment Department, as my friend Mr Licudi mentioned, will go first. This is currently on pilot testing, and should be fully operational by the summer. The Income Tax Office and parts of the GHA will follow after that. This will be the first wave of Departments adopting the digital services. We are already planning for the next phase of Departments, which will include eServices for the Civil Status and Registration Office, the Office of Fair Trading, the Department of Education and the Department of Environment.

Mr Speaker, the introduction of the Digital Transformation Programmes creates new ways of working for the Public Service and allows citizens and businesses to interact with Government systems in ways that have never been available or possible in Gibraltar. The implementation of these systems represents a quantum leap forward for Gibraltar. Mr Speaker, delivering eGovernment is an enormous challenge. We have expert support and implementation teams drawn from all corners of the Public Service, including of course our own ITLD team. The determination and resourcefulness of everyone involved in the project is exemplary.

Mr Speaker, I am grateful to Julian Baldachino and Karon Cano from my office for their complete dedication and in driving and managing this project with all the counterparties from both within and outside the public sector. Their effort has been remarkable and I am sincerely grateful to them. The effort made has been simply outstanding.

Mr Speaker, to conclude, I must thank my secretary Lourdes Piri and the rest of my team at the Ministry. They look after me with great care and affection, and of course, professionalism and I am truly grateful to them.

1155 Mr Speaker, I am also grateful to yourself for your patience and indulgence, as indeed to the remainder of your staff during the course of the year.

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

Mr Speaker: The Hon. Neil Costa.

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Minister for Health, Care and Justice (Hon. N F Costa): Mr Speaker, today marks my twelfth Budget address as a Member of Gibraltar's Parliament, my eighth as a member of Gibraltar's Government and my third Budget contribution as Minister with responsibility for Health, Care and Justice. It is no exaggeration to say, Mr Speaker, that it is an enormous privilege to serve my community in the areas of health care, social care, elderly care and justice, as we are all touched, in one way or another, by these vital services.

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Following the format of last year's address, and in the light of the press statements that my Ministry has issued in the last financial year, dealing with the various manifesto pledges, I am providing a link to all those press notes, which can be accessed easily via the Government website at: www.gibraltar.gov.gi/uploads/PR.pdf.

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Mr Speaker, on having provided this online link containing my statements, I will focus my address on what I consider to be the most important projects. I will not discuss all developments, as most members of our community will have either read or heard the news. I wish to stress, therefore, at the outset, to my many and excellent teams, that I thank each and every one of them for their hard work and that no disrespect is meant if a particular measure has not been mentioned.

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Mr Speaker, I commence with my responsibilities as Minister for Health. The work that I started in late October 2016 to integrate Health Care, Elderly Care and Social Care as the Hon. the Chief Minister directed me, continues.

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In respect of Primary Care, the cornerstone of our health service, this year has been one of consolidation and of embedding the many changes and reforms. This has served to establish better and more efficient working patterns for the Primary Care staff, but, most importantly, to allow our community to become familiar with the extended range of services and the now very comprehensive access to our GPs. Over the last 12 months, there have been, on average, 46 unused GP appointments every day. This means that no patient has been turned away due to lack of appointments. Placed in the context of the annual winter 'flu season' demand, this is a remarkable and welcome change in accessibility.

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However, despite this period of consolidation, I would like to say that my first-rate clinical staff have not rested on their laurels. I provide, Mr Speaker, therefore a summary of some of the most notable improvements.

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As the MyGHA telephone automated service has become more widely accepted, we have increased the number of appointments open to booking through MyGHA to close to 60% of all available appointments.

The most fundamental benefit is that patients can now book appointments with the GP of their choice, allowing our GPs to spend more quality time on chronic disease management, namely for those patients who need their services regularly.

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In March 2019, two part-time counsellors started working to augment the provision of mental health services. They have joined an experienced and highly professional team of counsellors, psychologists and psychiatrists to tackle the high demand for their services, and supporting the GPs in managing mental health issues.

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Mr Speaker, last year I announced that two highly trained and experienced GPs, Dr Chimene Taylor and Dr Elaine Flores, assumed the role of forensic medical examiners (FMEs), working

1205 closely with the Royal Gibraltar Police to support victims of crime. Since that announcement, we could not have predicted how vital to the work of the RGP these two GPs would become. The unseen workload soon became clear and, as a result, on 1st November 2018 a third GP, Dr Sally Morrison, who is one of our evening clinic GPs, joined the FME team.

1210 I am very proud to say that the work of the Police is supported 24 hours a day, every day of the year by our three GPs working on an on-call rota system. The management of any crime that involves injury to a person, with the assistance of our fully trained forensic medical examiners, who are ever available, represents a significant improvement.

1215 On 4th October last year, three GPs – Dr Valerie Flores, Dr Nicole Montero and Dr Joe Thoppil – were allocated time to sit in on clinics with our consultant paediatricians to gain a deeper understanding of paediatric work. This experience and developed interest are in anticipation of the opening of the Children’s Primary Care Centre this summer, where GPs will be working closely with the paediatric teams.

Two more GPs, Dr Nadine Perez and Dr Daniela Martyn, joined the team in January of this year, thereby making five GPs who will dedicate time to enhanced care for our children.

1220 Mr Speaker, since October 2017, the Advocacy Council for Health Service Users with Additional Needs has been meeting regularly with GHA teams. The key groups that form the Council advocate for members of our community who have more specific and additional needs for health care. These meetings have helped to identify areas within our services that required improvement, such as: the recruitment of a stoma nurse, who commenced on 23rd July last year; the implementation of a computerised ‘flagging’ system at St Bernard’s Hospital and at the Primary Care Centre to immediately notify GHA staff, including clinicians and administrative staff, of any known serious medical condition or disability as soon as an individual’s electronic health record is accessed; and a series of educational talks given by representatives from the Council to create awareness, empathy and a greater understanding by PCC staff of how it feels to be a service user with additional needs, accessing healthcare. Over 60% of all PCC staff have now attended these very useful sessions, with further talks planned this year.

1230 Mr Speaker, may I take this opportunity to publicly thank the members of the Patient Advocacy Council, who have so graciously given of their time to help us improve our services.

1235 In July of last year, building on the improved structure of the appointment system, a project to register patients with individual GPs commenced. As of the end of April this year, over 12,000 patients who regularly visit the PCC have already been registered with specific GPs. The PCC Registration team also update contact details for patients to ensure good communication with the health services and maximise the effective use of the MyGHA system and text message reminders.

1240 Within the next few weeks, Mr Speaker, the Hon. the Chief Minister and I will have the huge privilege to inaugurate Gibraltar’s very first and dedicated Children’s Primary Care Centre in the surrounding grounds of St Bernard’s Hospital. The modern and dynamic centre will combine the full range of children’s medical services in an environment designed with children in mind, staffed by specialist personnel, General Practitioners and community and allied health professionals, all of which will be dedicated to the youngest members of our community.

1245 Mr Speaker, as the Hon. the Chief Minister has already pointed out, the opening of this new, specifically dedicated medical centre for children, is a flagship pledge that will be fulfilled in the coming weeks.

1250 Additionally, following the announcement last year, works are well underway for the building of a new, purpose built Primary Care Centre, also adjacent to St Bernard’s Hospital. The brand new, three-storey building is set to be inaugurated after the summer months. The modern and future-proof design provides our community with a more patient-friendly centre, where wide-ranging and comprehensive primary care services will be delivered – another flagship policy that will be delivered after the summer.

Mr Speaker, I think it is worth noting that these significant reforms and improvements across our Primary Care Services have been implemented whilst, at the same time, our outstanding GPs have attended to over 110,000 medical appointments in the calendar year of 2018 alone. It bears repeating, Mr Speaker, that our cadre of GPs has seen nearly three times our population, which, in my view, places any complaints about appointments properly into perspective. This is without mentioning the daily average of 46 unused appointments, which is a remarkable feat by any measure.

Mr Speaker, from primary care, I move, as imaginatively as ever, to secondary care.

The GHA continues to embark on an ambitious programme of transformation to ensure that our community receives health care of the highest standard locally, wherever possible, or through one of our partner health care providers. This is underpinned by the recent launch of the GHA Constitution and Values and the setting up of a Clinical Governance and Informatics Department. It gives me the keenest personal pleasure to report, once again, that not a single surgical operation has been cancelled due to bed shortages, even during the busiest time of year. The GHA, employing a multi-agency approach, together with the ERS and the Care Agency, have maintained an impressive daily average of 63 available beds at St Bernard's Hospital in the last year, reaching a record high of 86 available beds on one occasion in April of this year. This, Mr Speaker, whilst carrying out 758 elective surgeries and 244 emergency surgeries between January and May of this year, up from the operations carried out last year.

Further, we have secured agreements with Clínica Universidad de Navarra – locally known as Pamplona – Quironsalud and Hospiten Group, three highly renowned health care providers for tertiary services, and negotiations are on-going with a fourth provider. Our Clinical Governance Team has been intimately involved in our negotiations to ensure that our patients receive tertiary services that are in line with the values set out in our Constitution, while achieving the best value for our investment. With respect to complaints, there was a welcome reduction of 50% – five zero, Mr Speaker – in the number of formal complaints received in the calendar year of 2018. As I keep repeating to my teams, however, that just means to me that we are far away from getting full marks, and we need to continue to do better.

Mr Speaker, GHA patients requiring organ transplantation now have access via the UK Transplant lists to join the NHS Blood Transfusion Service organ donation scheme. Our first two patients have had kidney transplants in the UK since the new system was rolled out.

Further, Mr Speaker, there has been significant investment in our mental health services, which has resulted in a number of important improvements and reforms, including: the recruitment of additional consultant psychiatrists, increasing the complement from 2.5 to 4.5 in the last 18 months, which is a record high for the GHA; the recruitment of the very first matron dedicated solely to mental health services, who commenced employment in February 2019; the recruitment of an additional Consultant Clinical Psychologist who commenced employment in October last year; the provision of counselling services was also enhanced with the chartered counselling psychologist and counsellor, who are based at the Primary Care Centre, increasing their sessions by an extra day per week each.

In February of 2018, a two-bedroom apartment for the purpose of providing supported accommodation was commissioned by HM Government of Gibraltar. This initiative has facilitated smooth transitional discharges of former inpatients of Ocean Views. These individuals have since moved on from the GHA's supported flat to complete independence in their own flat, receiving visits from the community mental health services. This much needed service was made entirely possible, thanks to my colleague, Samantha Sacramento, who possesses a deep empathy and heartfelt understanding of how we can best support the most vulnerable members of our community; the commencement, in January 2018, of a psychiatric service for children and young people in our community, named the Gibraltar Young Minds Team (GYM). This service, which is dedicated solely for children and young adults, includes a locally based child and

adolescent psychiatrist, two child and adolescent psychologists and a visiting service for complex behavioural management – another first for Gibraltar.

1305 The average waiting time to see a Psychologist at the GHA has seen a welcome reduction from eight weeks in September of 2018, to an average of only four weeks at present. In some European countries, the target is for 90% of patients referred for psychological therapy to be seen within 18 weeks. Gibraltar, once again, leads the way, proudly.

1310 And the introduction of a nurse-led liaison service, operating seven days a week from eight in the morning to eight at night. A nurse liaison, based at Ocean Views, is now available to provide assessments, support and reassurance to both patients and their loved ones. This improved access means that not all patients will need to attend the Accident & Emergency at St Bernard's, which I am sure is enormously welcome.

1315 My teams and I continue to work closely with individuals, families and support groups in a bid to improve our services to meet the evolving mental health needs of our community.

Mr Speaker, by any objective measure, this side of the House has demonstrated an unflinching and serious commitment to improve and expand our vitally important Mental Health Services.

1320 Mr Speaker, I will turn to the GHA's Nursing Services. We continue to give fully deserved recognition to this much-valued profession, and continue to heavily invest. I take this opportunity to reiterate that our Government has acted on systematically increasing the numbers of nursing staff at all levels, including: six additional specialised Operating Theatre staff for the expansion and repatriation of surgical services; four additional dialysis nurses to coincide with the expansion of the Douglas Ferro Dialysis Unit and extended hours of Renal Replacement
1325 Therapies; one urology / urodynamics nurse in line with the expanding local Urology Service delivery; four additional registered nurses in our Critical Care Unit for the specialised delivery of Hemofiltration therapy; our Primary Care services have seen the introduction of a sexual health nurse specialist; one additional cardiac rehabilitation nurse; one resuscitation officer; and the appointment of a practice development charge nurse to further consolidate nursing clinical
1330 practice and development to improve quality standards of patient care.

Further, Mr Speaker, the GHA continues to invest in specialised nurse training. Four local critical care nurses were sponsored to undertake a Master's Degree in Health Care Practice in the UK. In addition, eight members of the Theatre Nursing team successfully completed their Surgical First Assistant training locally, in conjunction with Edge Hill University and have gone on
1335 to provide specialist surgical skills within our Operating Theatres Department. Further still, a cohort of six students commenced the first-time locally delivered Nursing (Mental Health) degree in September of last year.

Mr Speaker, in the School of Health Studies in September of last year, a new intake of 22 students commenced programmes of study, which was a record high for the School of Health
1340 Studies. The students commenced studies across three programmes: a Diploma in Higher Education in Nursing and two degree programmes comprising a BSc with Honours in Adult Nursing and a BSc with Honours in Mental Health Nursing.

1345 In total, there are 33 undergraduate nursing students studying full-time at the School of Health Studies, whose degrees will be awarded on completion by Kingston University London and St George's University of London.

Significantly, Mr Speaker, I am delighted to report that the School of Health Studies successfully received validation by the Health and Care Profession Council (HCPC) to run a locally delivered BA (Hons) Social Work degree, in partnership with Kingston University London and St George's University of London – which was another first for Gibraltar. A cohort of 10 students
1350 commenced their degree programmes in January of this year.

Another successful validation by the HCPC paved the way for yet another milestone. The first locally delivered BSc (Hons) Operating Department Practice degree programme, in collaboration with Oxford Brookes University.

Further, Mr Speaker, with the amendment to legislation, the introduction of ‘non-medical prescribers’ has become a reality. Ten senior nurses are six months into their year-long programme of study to gain the necessary qualifications to prescribe from a full range of medicinal products within their scope of practice. Research shows that nurse prescribing improves patient care and has led to improvements in access to medicines and patient safety and also allows for the increased flexibility of not having to wait necessarily to see a doctor.

In turning to the Gibraltar Ambulance Service, the Government is fully committed to deliver a purpose-built Ambulance Station that meets the fundamental requirements to operate a professional Emergency Ambulance Service. This includes an overview of the present staffing complement and skill mix with a view to increasing our present Paramedic complement to allow for continuous cover and resilience.

The GHA is carefully examining a new strategic and operational direction with the aim of allowing the Gibraltar Ambulance Service to better meet the needs of our community.

Mr Speaker, the introduction of the General Data Protection Regulation signifies an enhanced legal obligation to protect our patients’ data. The GHA has taken robust measures to ensure we are compliant with the law and give our patients the assurance that their personal data is held securely. The GHA will carry out regular audits to ensure compliance with our data protection obligations and continue to work closely with the GRA.

Mr Speaker, I now turn to finance and procurement. As Hon. Members know, the 2018-19 outturn for the GHA stood at £124.4 million, which is £3 million over the previous financial year; an increase of under 2.5%.

This outturn, which was £5.7 million over the original approved estimate for 2018-19, of £118.7 million, covered the cost of the annual staff pay increase and our continuing investment in exciting and new major developments, such as the new Primary Care Centre and Children’s Centre.

The GHA does continue to strive to improve processes that will deliver more stringent budgetary control and financial balance. These initiatives include the implementation of new accounting systems. The proposed GHA budget allocation for 2019-20 is £138 million; an 11% increase on the previous year’s spend, which includes a contribution of £6.3 million from the Improvement and Development Fund to continue to invest in capital initiatives, such as fitting out the soon-to-be opened and magnificent GHA facilities with the latest equipment.

The financial projections indicate that the GHA should keep to within its allocated budget, which, in my opinion, is more than a fair and reasonable allocation to our health services. To this end, we will continue to hold monthly Financial Control meetings to embed the processes we began two financial years ago and continually monitor spending. These meetings have facilitated increased collaboration between the GHA’s Finance team and the organisation as a whole in terms of spending and forward financial planning, thereby resulting in improved financial control and curtailing historical overspending.

Mr Speaker, just as an example, this is reflected by the reduction in overspend in comparison to previous years, of 8.8% in 2017-18, down to 4.9% in the last financial year.

Having said that, it will surprise no one to hear me say that I am still far from satisfied; ensuring that the GHA comes within budget should be the natural state of play – the norm. Personally, Mr Speaker, when I spend more than I should one month, I make do with less the next month, and the GHA needs to understand that it must live within the entirely reasonable and generous subsidy of the taxpayer. Moreover, the GHA lives, as far as its finances are concerned, in a universe which is different from ours, where it is not asked to pay back what it has overspent. Therefore GHA needs to remember, moment to moment, that a single penny overspent is one penny too many, because it is our collective money as taxpayers, and we must continue to do better. **(Hon. Chief Minister: Hear, hear.)**

On having expressed my continuing concerns over the control of expenditure, Mr Speaker, quite apart from having demonstrated that the annual overspend has been reduced year on year

1405 to 4.9% in the last financial year, the second biggest overspend in the last financial year was due
to the high costs at which we currently procure our pharmaceuticals, due to our limitations
when it comes to economies of scale. It therefore gives me great pleasure to announce that we
have received a commitment from the UK Government for the GHA to be included in the NHS
Drugs Framework at the next round of negotiations in two years' time between the NHS and its
1410 suppliers.

In the meantime, the GHA will be granted, exceptionally, special dispensation by the UK
Government to access these specialised and latest medications via large NHS Trusts, such as
Guy's and St Thomas' Foundation Trust, one of our close partners in the UK. This, Mr Speaker,
will enable the GHA to have regular and reliable supplies, and ensure that we access NICE
1415 approved medications, at the most competitive prices. Mr Speaker, I cannot overstate the
importance of this development on our ability to better control expenditure on pharmaceuticals.
It is a concrete and direct product of the many meetings the Hon. the Chief Minister and the
Hon. the Deputy Chief Minister have held at the highest levels of the UK, supported by the
extraordinary work of the Government's Brexit team. These developments have also come
1420 following a series of meetings between the GHA Medical Director and I and top officials within
the UK Department of Health, underpinned by contact that we have held with my ministerial
counterparts in Westminster, including the Secretary of State for Health and Social Care, and the
former Parliamentary Under-Secretary of State for Health with responsibility for medicines.

Further, Mr Speaker, the stores at St Bernard's Hospital are currently undergoing a major
1425 revamp. The introduction of an open Inventory Management System at St Bernard's Hospital
Stores will significantly improve current processes and controls, streamlining the collecting and
distribution of stock to clinical areas and minimising any possible wastage. New stock top-up
systems, managed by the stores team, were implemented across hospital wards in May, which
provides the added and immensely welcome benefit of relieving nursing staff from duties in
1430 respect of stock replenishments.

From all of the above, Mr Speaker, I do not think that anyone can seriously doubt this
Government's will to leave no stone unturned in improving our healthcare services to our
people. From me to all of our health care professionals and all other staff at the GHA, thank you.

Mr Speaker, I now turn to the Care Agency, and I would like to start by speaking about the
1435 exciting changes that will be implemented in the area of disabilities services.

Children and adults with learning disabilities and additional needs are more likely to have a
wider range of physical and mental health needs than is usual for the general population. The
Care Agency and I have met with parents and family members of children and adults with
learning disabilities, as well as with relevant support organisations, to gather their personal
1440 accounts and better understand the challenges they face on a day-to-day basis. The Care Agency
and I have understood the need for improvements in the way services to this vulnerable sector
of our community are delivered.

It is for this reason that a multi-disciplinary group, led by the Care Agency and I, was formed
to consider ways in which services within Education and the Health and Social Care sectors could
1445 work together and recommend reforms to better meet the needs of the community. The
Working Group has also met with other stakeholders, including the Youth Services, to further
inform our work.

It is important for a person with a learning disability and their families to know that there is a
supportive plan in place on which they can rely. One of the major issues raised by families is that
1450 paediatric health services cease delivery when children reach the age of 16 years; this includes
service delivery to children with disabilities. Families typically enjoyed, by their own statements,
a fantastic multi-disciplinary team approach around the child, consisting of consultants and
other allied health practitioners, which then virtually disappears on the 16th birthday as they
transition to working with a GP in a very busy Primary Care setting.

1455 As a result, it gives me great pleasure to note, Mr Speaker, that the age of paediatric services for children with learning disabilities and additional needs will be raised to 18 years. There will also be an increase in the therapies provided by the paediatric allied health professionals. I do not think we can overstate the importance of this expansion of service provision to persons with disabilities and their families. The Children's Primary Care Centre will house numerous services,
1460 offering a single point of access to children services, eliminating the need for parents or carers to navigate from one professional to another.

The Working Group continues to consider the age criteria for use of these services for those over 18 years so that there can be a smooth transition into later adulthood.

1465 Further, Mr Speaker, the Disability Review Working Group found that respite for parents and carers of children with learning disabilities was dependent on resources deployed from the Care Agency's Children's Residential Services. This did not always enable the service to provide respite as and when needed.

I am very pleased to note, therefore, that we have increased the budget for respite services to ensure that more children and their families are able to access the necessary support and
1470 respite services when they require it. We have a responsibility to ensure the mental and emotional health of those family members who care for children with disabilities.

We must care for our carers, Mr Speaker. They are our silent champions and they do need our support. *(Banging on desks)*

1475 Furthermore, we will employ an additional Social Worker to work exclusively with children with disabilities and their families. Up until now, this area of work has been conducted in addition to other areas of children's social services. This practitioner will support families through the many processes they often encounter when accessing services. This Social Worker will help families in accessing multi-agency support and bridge the gap from assessment of additional needs to the appropriate support packages.

1480 An exclusive venue for respite is also essential. To this end, the Working Group continues to explore appropriate venues to cater for daytime, overnight and weekend respite, separate to the current Children's Residential Service.

1485 In the case of adults with learning disabilities, the Working Group identified that resources were required to support adults in accessing meaningful activities so they could participate in community events. Young adults do not always want to be chaperoned by parents or family members when participating in such events. This is typical of any person trying to attain independence; however, because of their vulnerability, adults with learning disabilities require a certain level of supervision.

1490 It, therefore, Mr Speaker, also pleases me to say that the budget has been increased to address this need and thereby provide for paid carers who are trained in delivering a support service to resemble a mentoring service.

This new area of service will assist in enhancing adults' social and support networks, and help these individuals build skills that will serve in the area of leisure activities, and also, in some cases, in employment.

1495 Therefore, Mr Speaker, I am delighted to report that we will also increase our complement by a second social worker, who will work exclusively with adults with learning disabilities and their families. This social worker will co-ordinate care packages, continually assess the needs of the individual and the degree of support required by family members. The social worker will also work with St Bernadette's Resource Centre, Dr Giraldi Home, the GHA and other Government
1500 agencies. To ring-fence this practitioner to work solely in this area of service will create more effective channels of communication between the different services, families and around the person with learning disabilities.

1505 With adults now enjoying better healthcare and living longer, there has been an increase in attendances at the St Bernadette's Resource Centre. This Centre now offers a service to a wide range of service users, both in age and learning disability. Both the Education Department and

the Care Agency, have acknowledged this and discussions on transitions from one service to another have been reviewed and improved.

The Disability Review continues, because we have further ground to cover. I am at pains to stress, Mr Speaker, that we are at the initial stages of delivering on new developments, and we will continue to strive to provide a gold-standard service.

Increasingly, the Care Agency has been working to provide early intervention when families most need it. In the case of Children's Services, the Family and Community Centre (FCC) has been instrumental in facilitating access to this support. This service has been influential in bridging the gap between Child Protection and Children in Need, providing children and families with increased opportunities to succeed and achieve best outcomes.

In addition, the Family and Community Centre continues to offer a wide variety of activities, with 1,313 children and 1,401 parents and carers having attended during the last financial year.

Importantly, a Parent-Child Assessment Unit has also been created. The aim of this service is to provide residential parent and child assessments for those who have suffered, or are at risk of suffering, significant harm and are on Child Protection Plans. The programme helps parents build on their parenting skills and adopt positive strategies in their day-to-day parenting responsibilities.

Mr Speaker, we have two Safeguarding Boards led by the Care Agency, namely the Child Protection Committee and the Safeguarding Adults Board. The newly reconstituted Safeguarding Adults Board was established this year with the Child Protection Committee having already been working successfully as an executive Committee for some time.

The Safeguarding Adults Board focuses on issues relating to the safeguarding of vulnerable adults, ensuring that the appropriate local safeguarding arrangements are in place. The Board also works to make certain that Government agencies deliver timely and proportionate responses, should abuse or neglect occur.

Another area of great importance, and tied-in with safeguarding, is that of public protection. Two further therapists will be employed by the Care Agency to work with its Therapeutic Team in providing therapeutic interventions to sex offenders, among other duties. Systemic therapeutic interventions for families of offenders will also be provided, and a separate delivery of therapy services will be offered to persons who have suffered those offences.

Mr Speaker, care in the community is an essential service provided by the Care Agency, and Domiciliary Care continues to be provided to assist vulnerable, elderly or infirm persons at home. A total of 434 individuals have received a package of care this year, reflecting an increase of 127 on the last financial year. Given the success of supporting persons in the community, the Domiciliary Care budget has been increased so that further support can be provided to more individuals within their own homes.

Another service increase has been the opening of an extra day at the Waterport Day Centre for the elderly, providing a total of 40 additional placements, with 20 new clients now attending. **(Hon. Miss S J Sacramento: Hear, hear.)**

In conclusion, Mr Speaker, the Care Agency has continued to develop at a fast pace in-keeping with the evolving needs of our community. The Agency holds the right to family life and privacy central within its core values, and it strives to provide support and care to ensure individuals and their family members can enjoy well-being and support services in the community. The Care Agency will continue to work to ensure these important services develop, and are reviewed, so that the social care provided is meaningful, provides the relevant support and enables its users to participate in society.

Mr Speaker, I also of course wish to thank all the various teams of the Care Agency.

Mr Speaker, it is with pleasure that I now turn to the Elderly Residential Services (ERS).

The number of GP sessions available to the Elderly Residential Services has been increased by an extra 20 hours per week. Emergencies or end of life care can therefore be dealt with in a familiar environment, also reducing acute hospital admissions.

Additional in-house services have also been implemented, whereby the medical team perform regular clinics across ERS sites to review the treatment of diabetic residents.

1560 A similar system has been introduced to review residents' pacemakers and other external cardio-devices with the support of the GHA cardiologist, geriatrician and GPs. In addition, the ERS GPs have introduced a coagulation clinic, where residents on anticoagulant therapy are investigated in-house, without the need to send blood samples to the GHA Haematology service.

1565 Further, Mount Alvernia has seen significant refurbishment to the main kitchen, dining room, day room, lobby, reception and chapel, with 'dementia friendly' colour schemes, designs and furniture having been implemented across the whole communal areas. The renovation continues in phases in order to minimise any possible disruption to residents. I must thank the Gibraltar Alzheimer's and Dementia Society for their generous donations, which have gone towards these very welcome improvements.

1570 Further still, an informed practice course has been provided to all support staff, such as domestic and administrative staff, so that everyone working within the ERS possesses a minimum level of dementia training and awareness.

Mr Speaker, the staff at both Hillside and John Mackintosh residential homes, together with that of the Bella Vista Day Centre, continue to provide kind and compassionate care to our dear elderly. We regularly receive commendations from the community in this respect.

1575 From me to all the Elderly Residential staff, thank you.

Mr Speaker, I will now turn to my Justice portfolio, and I will commence with the Royal Gibraltar Police.

1580 Following on from the Force Re-Structure and the present HR Audit, the RGP, together with Government, have commenced a phased approach to increase the number of police officers for the organisation. Ten additional police officers will be recruited over this financial year, providing the RGP with much welcome added capacity to deal with the complex types of modern-day crimes to which Gibraltar is inevitably exposed.

The RGP will also rearrange its structure so as to increase frontline policing capacity, whilst remaining an effective and efficient workforce.

1585 The RGP has recently policed international football matches, which require an effective command structure and prior specialist training of police officers who, on the day, are equipped for any potential public disorder situation. This has required significant spending, which has also enhanced the RGP's capability to respond to public disorder incidents generally.

1590 The RGP has increased its vehicle capacity this year also at a significant investment. Three police response/detainee vans and a police K9 van were purchased. This increases the organisation's ability to deploy officers to where numbers are needed the most.

Mr Speaker, the officers of the RGP are constantly at the forefront of fighting national and international crime, and there have been many success stories over the past year.

1595 Further, Mr Speaker, the RGP, in consultation with my Ministry, introduced a drugs-free workplace policy. The Commissioner, senior RGP officials and I volunteered to provide samples, even before the commencement of this policy, to demonstrate its non-invasive nature. The RGP is now able to test its officers for substance or alcohol misuse and have measures in place to address any positive readings. So far, 25 tests have been conducted, all providing negative readings.

1600 Mr Speaker, the Gibraltar Financial Intelligence Unit (GFIU) plays a critical role in protecting Gibraltar's Finance Centre. GFIU generates intelligence reports for both domestic and foreign Law Enforcement Agencies, which assist in deterring terrorists and criminals from operating their illicit businesses.

1605 GFIU received almost 3,000 Suspicious Activity Reports (SARs) last year. Reporting entities can now submit SARs securely via Themis, the new online reporting system. The GFIU has provided training to approximately 180 Money Laundering Reporting Officers with the support of the Gibraltar Association of Compliance Officers.

As the Moneyval evaluation of Gibraltar continues, the GFIU has continued their internal training with the UK National Crime Agency, the Financial Action Task Force in Busan and has recently attended a high-level Financial Action Task Force-MONEYVAL Terrorist Financing Workshop for Virtual Assets in Tel Aviv, Israel.

The GFIU continues to develop its own anti-money laundering and terrorist financing capabilities, but it is also raising awareness through its unique outreach program, Project Nexus. This targets the private sector and covers terrorist financing, the National Risk Assessment and the financing of human trafficking.

Mr Speaker, it has thankfully been another unremarkable year for the Prison Service with no major occurrences or disturbances to report. Incidents of prisoner indiscipline have mostly been for minor offences and remain similar to the previous year, approximately three reports per month.

The average daily report for the last financial year stood at 52 prisoners, up from 47 prisoners in 2017-18.

The prison facilities continue to be well used by inmates. Last year, on average, a quarter of the prison population attended educational and vocational classes. Inmates also made good use of counselling services available to them, with a third of the prison population regularly attending Narcotics Anonymous.

New initiatives and improvements to current services include an increase to the provision of general and drugs counselling and rehabilitation. Counselling services include the 12-step programme, the cycle of change programme and aftercare and support post release. It is hoped that these improved services will better place offenders on the road to rehabilitation and successful re-integration into society, and thus reduce the rate of recidivism.

The most effective prison strategy combines both elements of counselling and rehabilitation, together with enforcement and deterrence. To this end, and in order to enhance the enforcement and deterrence element, the Prison Service will soon complete its work to introduce mandatory drugs testing for all prisoners.

This has proved an unexpectedly ambitious project for the prison, which has taken some time to develop. The work has involved the consideration of draft legislation, mechanisms for the support of Justices of the Peace in the adjudication process, contracting with a suitable and recognised UK Home Office approved laboratory, developing a comprehensive policy document, the introduction of software support and the training of prison officers. Significantly, HM Prison will also engage an additional counsellor to enhance the current support to inmates experiencing issues with regard to the misuse of drugs.

The process has been long, and I am therefore particularly pleased to announce that mandatory drugs testing will commence this year. I will make an announcement in due course when Her Majesty's Prison is operationally ready to commence.

The core of the programme concerns the monthly testing of prisoners who are randomly selected by specially designed software. The programme will also include testing when a reasonable suspicion of consumption arises, for the purposes of risk assessment, upon arrival at Her Majesty's Prison and frequent testing thereafter. Those prisoners who either refuse to be tested, or test positive, will go through the existing internal disciplinary process at the prison and, depending on the particular circumstances of each case, the matter will be adjudicated by either the Prison Superintendent or a Justice of the Peace. It is hoped that the introduction of this robust testing policy will further deter substance abuse in prison and, together with improvements on rehabilitation and other existing measures, will also provide a consolidated and comprehensive drug strategy that will have a positive impact.

In respect of resources, the three-year implementation plan of the agreed staffing increase continues to progress. Further, Mr Speaker, I am pleased to confirm the recent introduction of an additional post of Chief Officer, which will undoubtedly serve to bolster the prison's management structure. The current recruitment phase will see a significant augmentation to the

resourcing of the Female Unit of the Prison. This will provide for improved opportunities of career progression for officers working in that section.

With regard to training, this has been expanding year on year, affording staff greater opportunities to develop their skills and specialisations.

Over the past 12 months, officers have undergone specialist training in the UK in a variety of areas, including mandatory drugs testing, working with young people and mental health awareness. Local training has included sex offender risk assessment, emergency first aid and unarmed defence tactics. Upcoming specialist training in the United Kingdom will include control and restraint training for instructors.

Prison management continues to be held to account by the Prison Board, the members of which undertake their responsibilities with determination. Mr Speaker, may I take this opportunity to sincerely thank the members of the Prison Board for their time and dedication.

Prison management remains committed to providing a safe and secure environment both for inmates and staff alike, to treating inmates with humanity, encouraging self-respect and helping them to lead law-abiding and useful lives whilst in custody and upon release. The service is fully committed to the care and rehabilitation of inmates and to their successful re-integration into society. To this end, I wish to wholeheartedly thank HM Prison's management team and our prison officers.

Mr Speaker, I turn to matters regarding legislation. I speak on the most significant legislative projects which have come to fruition over the last year.

The House will recall that it passed laws to proscribe 'upskirting' and to enhance the legal assistance that may be provided to foreign prosecuting authorities in criminal matters.

Legislation establishing the office of Director of Public Prosecutions, habitually abbreviated to DPP, was passed on 24th July 2018. The Act allows the DPP to undertake the day-to-day criminal work bestowed on him by the Attorney-General, whilst remaining subject to any instructions issued by the Attorney-General.

On 20th December 2018, Parliament passed the Extradition Act 2018, which enabled Government to request the extension of the European Convention on Extradition and protocols 2 to 4 to Gibraltar, therefore widening the scope for extradition from and to Gibraltar. The passing of this Act stemmed from the Government's contingency planning in the event of a no-deal Brexit.

At the same time, Parliament passed the Mutual Legal Assistance (Council of Europe) Act, which enabled the Government to request the extension to Gibraltar of the Council of Europe's Convention on Mutual Legal Assistance in Criminal Matters, and the passing of this Act also stemmed from the Government's contingency planning in the event of a no-deal Brexit.

Earlier this year, this House also legislated so as to prohibit the sale of energy drinks to persons aged under 16 years, requiring notices to be displayed in premises selling energy drinks and prohibiting their sale from vending machines.

Mr Speaker, Command Papers were published on matters relating to abortion, surrogacy and parole reforms. Two of these Bills have been published following the conclusion of the respective consultation processes, and I look forward to debating these in this House. As a result, I will not discuss these Bills any further.

In relation to the Command Paper on surrogacy, my Ministry and I are working through the various representations received and will publish the revised Bill in due course. As the House knows, Mr Speaker, the purpose of the Surrogacy Bill will be to provide a framework for altruistic surrogacy.

Mr Speaker, before I turn to the Law Courts, I must mention by name my Ministry's Legal Counsel, Mr Karl Tonna, who, since he joined me last year, has proven to be one of the most conscientious, diligent, hard-working and ethical persons with whom I have had the pleasure to work. **(Several Members: Hear, hear.)** Not only has Karl kept up with a sometimes punishing

pace of work, but he has done so with good cheer and vim. I am extremely grateful to him.

1710 **(A Member: Vim?)** And vim. *(Interjections)*

Mr Speaker, I now turn to the Law Courts.

1715 It pleases me that, on the advice of the Judicial Service Commission, seven new Justices of the Peace have been recruited and appointed. This was required to maintain the complement of Justices following a number of retirements. I am sure that the whole House will wish them and all JPs all the very best, and our thanks for their selfless devotion to public service.

1720 Mr Speaker, as the House knows, in 2012, representations for funding were made to Government for a short-term judicial appointment of two years to assist in clearing a backlog of criminal cases. That appointment was then extended by an additional three months. As that appointment ended, the Hon. the Chief Justice was of the view that it was desirable for there to be additional judicial support for the civil/commercial jurisdiction. This appointment was made with a view to provide for the short-term needs of the judiciary. That appointment came to an end in August 2017 and, since then, the work of the Supreme Court has been shared amongst three, rather than four, judges.

1725 It is the Hon. the Chief Justice's view that operating with a complement of three judges, whilst feasible, places pressure on the court diary when high value commercial cases arise, and prevents running two criminal trials simultaneously. A few high value commercial cases running through the system could have the real potential to bring about pressure on the courts. This could in turn lead to the very real possibility that these matters could not be dealt with as quickly as the judiciary would like.

1730 Added to this, we are also cognisant of the trend displayed by the most recent statistics held by the Gibraltar Courts Service, which show that there was an increase of 48% in the number of criminal matters in the Supreme Court last year. There are, however, no cases awaiting dates for criminal trials or for first hearing dates in civil and family applications at the Magistrates' and Supreme Courts at this time.

1735 I wholeheartedly share the Chief Justice's view that it is important that delays in criminal matters be minimised, particularly in cases involving vulnerable persons.

1740 Following on-going close consultation with the Hon. the Chief Minister and the Hon. the Chief Justice, Government was happy to approve funding for a fourth judge for a three-year appointment. During this period, we will continue to monitor the workload and needs of the judiciary, before making a determination as to whether or not a fourth judge should become a permanent increase to the judicial complement.

Together with the advertisement of this vacancy in April this year, the Judicial Service Commission also advertised a vacancy for another Supreme Court judge.

1745 This is a permanent post until the statutory retirement age of 67, to succeed Mr Justice Butler Puisne Judge, who will be retiring in August this year. I would like to personally express my gratitude to Mr Justice Butler for his work and contribution to Gibraltar's legal system, and wish him all the best in the future. *(Banging on desks)*

1750 Lastly, Mr Speaker, I have worked closely with the Chief Executive of the Gibraltar Courts Service to ensure that the Courts' administration is properly resourced. This is important so that the operations and support to the judiciary, court users and the legal profession are maintained to enable them to deliver a timely and efficient justice system that is open to all.

I take the opportunity to sincerely thank our Supreme Court justices for discharging their obligations immaculately and in keeping with the best traditions of the independence of the judiciary and the rule of law.

1755 Mr Speaker, it would be remiss of me not to thank you and Paul, Frances, Dani and Kevin for, as ever, your unfailing and patient support and help throughout the year.

Similarly, Mr Speaker, I wish to thank also my magnificent Ministry team, Simon Galliano, David Santos, Leila Asquez, Karl Tonna, Natalie Alvarez, Natalia Nuñez and Louise-Anne Canepa, brilliantly led by Evelyn Cervan and her industrious deputy, Martin Ullger. **(Hon. Chief Minister:**

1760 Hear, hear.) There is a group of people that never surrenders to any difficulty, however large, and who I wish to thank for their patience, endurance and stamina. (**A Member:** Resilience.) And resilience.

Mr Speaker, it is undeniable that as leaders of our nation we are vested with a responsibility to speak and to act for the benefit of our community. That is undeniably true. All the new
1765 services that we have announced throughout the year, all the enhancements to service provision that I have set out today and the deep and wide recruitment of the best personnel to provide these services, attest to the discharge of the obligations that the community places on those that sit on this side of the House. The work of governing a dynamic nation like Gibraltar requires serious, earnest and consistent attention.

1770 Mr Speaker, having grown up in Gibraltar in the 1980s, our progress as a nation today is as palpable as it is visible. I want to say, Mr Speaker, that it is by dint of the efforts of those who have come before us, to those who laid the foundations of our civil society and vibrant constitutional democracy, to the generation of Gibraltarians who returned from different parts of the world after the evacuation to build our nation, who stood firm against a fascist dictator
1775 and endured a closed border, to the first GSLP Government that revolutionised our economy and laid the foundations for our present prosperity and, therefore, I say, our security, that I say that Gibraltar is, more than any other place in Europe, and perhaps even further afield, and in many important respects a land of equal opportunity.

Mr Speaker, I cannot in this speech examine the various strands that allow individuals in our
1780 community to seize opportunities – but, without a shadow of any doubt, the central plank of those strands is one of Sir Joe Bossano’s many revolutionary policies, which is for the Government to pay for any student who has secured a place in university to read a first degree. In this financial year alone, the spend on tertiary education will be £16.5 million, not least because the Government now also pays for a Master’s degree. The result of that simple yet, I
1785 would argue, transformative policy, is evident today. How much, Mr Speaker, has Gibraltar matured and been transformed from the days in which I grew up, not just I say in its physical environment, but in the development of its laws, culture, civic society and political processes. I am yet to read anything in any publication, Mr Speaker, where I can find a country that for £131.08 per month and a top effective tax rate of 23%: furnishes to her citizens optimum
1790 primary, secondary and tertiary care, the latter in the best centres in the UK and Spain, that is free at the point of delivery to our people; that builds, not one, not two, not three, but four new schools in the space of one electoral mandate; that invests in an entirely new Primary Care Centre and, inceptively, a Children’s Primary Care Centre with new services; that furnishes the right increases in staffing levels in the Gibraltar Health Authority with more doctors, more
1795 nurses, more allied health professionals and support staff than ever before, not to mention increases in service expansion; and that has a government who is at pains to hear how to improve services and who cares for all sectors of our community and not just a select, privileged few.

Mr Speaker, my colleagues have provided many, many more examples of how our monthly
1800 social insurance contributions and taxes must surely constitute the best value for money in most parts of the world, if not the world.

I would therefore suggest, Mr Speaker, that there is poetry in governing and not, as it has been contended, that we, on this side of the House, campaign in poetry, but govern in prose. I think that that phrase, as may be applied to us, could not be divorced further from the truth. It is
1805 inevitable that a campaign is a time to fiercely debate contested ideas and to set out a plan for our nation, but once the battle of ideas has been won, these projects have to be delivered.

I doubt that anyone can accuse any member of this Government of not achieving results, and our completion of the vast majority of our manifesto pledges demonstrates that we do what we say. Who can deny, Mr Speaker, the poetry in delivering new affordable homes for our

1810 community so that they can start or grow families, or new world-class sporting facilities for our sports women and men?

Who does not recognise, Mr Speaker, the expression of verse in a society whose government treats a manifesto not as a mere wish-list, but as a series of promises?

1815 What makes me proud to form part of this Government, Mr Speaker – truly proud – is that the revenue of the Government is ploughed back into the community, without reservation and as it should. If the economy is performing well, the wealth generated should be redistributed wisely and sensibly into education, health, elderly and social care, housing, our law enforcement agencies, our judiciary and other important Government services.

1820 The reason why I am convinced that Gibraltar, more than most places in the world, is overall a contented community is because persons who objectively assess our system know that Gibraltar is the very model of a daily, sincere endeavour to continue to build a land of equal opportunity. Every attempt is made, as far as I can see from following the money in the estimates of every year, to distribute the wealth generated as fairly and as equally as any human system permits.

1825 Only yesterday, Unite the Union publicly noted that this Budget represents significant progress for workers in Gibraltar and, moreover, that the Budget appears to address the remaining 14 points of their manifesto for change. I have worked hand in glove with Victor Ochello to try to provide fairer employment conditions in all of my Ministerial responsibilities, and he has been singularly unskilled in advertising just how much he achieved for working men and woman. His selflessness, to me, however, was a measure of the man who only cared for doing right by working persons. I, however, know how much he truly achieved for his members, for whom he fought extremely hard, and I was always happy to agree to his representations when he was right. I will sincerely miss our working relationship.

1835 There will be blind spots in any system, obviously, that need to be resolved and that is why it is so important for us to listen to those we serve; why I insist on meeting personally with those who need our assistance – to hear where the systems fail and move swiftly to correct any gaps.

1840 On reflection at the end of most days, Mr Speaker, I will ask whether, in my areas of responsibility, we have placed our patients, or our service users, and their families at the centre of what we do. My teams will have heard me say on numerous occasions that our loyalties must always be to those who need our help, not to systems, nor to policies, but to people, every day of the week. Ideology should never trump a deeper level of humanity in our interactions and decision-making. It does us good to remember that our systems and processes are to serve and benefit persons and not *vice versa*. And when we are wrong, we should so admit, plainly, learn from the mistake, correct the grievance and work better, smarter.

1845 We need to listen with respect and patience and factor the views of others when implementing policy. This is why, Mr Speaker, I meet regularly with charities and associations, some of them, every six weeks – it is my way to keep up the pressure on myself, and my teams, to keep to the commitments that we may have agreed at a previous meeting. As importantly, the individuals, charities, associations and support groups I meet steer me true, Mr Speaker, so that I do not allow the urgent to drown out the important – and given the volume of requests and correspondence that come in it is easy, sometimes too easy, to be sucked into the vortex of urgent circumstances and park what is, in fact, truly important.

1855 Moreover, my officials will have heard me say countless times that nothing is gained by trying to excuse the inexcusable. We must act always as we would like to be treated ourselves and those we love.

Mr Speaker, as I begin to end, I posit that any objective observer will conclude that in the light of all of the matters that Members on this side of the House have set out, this Government is, without question, not just a government of ideas, but importantly, we are a government that delivers.

1860 I think, however, Mr Speaker, that it is also true that every member of society is called to action to be a force for good for our community. I think it is vital for our common prosperity, for our security and our safety that we do not forget that we in Gibraltar are, first and foremost, a small, close-knit community of brothers and sisters, of families, friends and neighbours. Indeed, Mr Speaker, Government cannot, and should not, do everything. As Gibraltar transitions from a
1865 community to a more sophisticated society, we should not lose sight of what makes Gibraltar special: our respect and generosity to one another.

My daughter, who at the tender age of seven spends most days teaching me a thing or two about how I should live my life better, spoke to me recently of how humankind is really one and that we should all treat each other kindly – one love, she told me, Mr Speaker.

1870 Mr Speaker, political discourse is ordinarily cast in terms of the rights of the citizen, on the one hand, and the obligations of elected politicians and officials on the other. That conceptualisation has its place, of course, and it is right. I wish, however, to attempt to slightly recast that conception by sounding a more positive note that all of us have the privilege to support each other; that we must all, collectively, continue to improve the fabric of our society,
1875 our common wellbeing and happiness, and that we should all, in our different spheres and in our own way, be good citizens and work towards the noble cause of being there for each other.

There is no doubt in my mind that my grandparents, and the generation that endured the trauma of the evacuation and a closed frontier, worked extremely hard to bequeath to us the Gibraltar of today – affluent and prosperous, secure of itself domestically and internationally,
1880 and safe. And we all have that same, some will argue sacred, duty to leave to succeeding generations an even better Gibraltar than the one of today. Surely, Mr Speaker, that must be our collective aspiration.

Thank you. (*Banging on desks*)

1885 **Chief Minister (Hon. F R Picardo):** Mr Speaker, although we got off to a very slow start this afternoon, and with mediocrity, I think the last two speeches have been a *tour de force* by two magnificent Ministers who have given so much to this community. I think we should rest on them overnight and adjourn to tomorrow morning at 9.30.

1890 **Mr Speaker:** The House will now adjourn to tomorrow morning at 9.30.

The House adjourned at 5.45 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 9.33 a.m. – 12.51 p.m.

Gibraltar, Wednesday, 12th June 2019

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The Gibraltar Parliament

The Parliament met at 9.33 a.m.

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

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

Appropriation Bill 2019 – For Second Reading – Debate continued

Clerk: Meeting of Parliament, Wednesday, 12th June. We continue with the Second Reading of the Appropriation Bill 2019.

5 **Mr Speaker:** The Hon. Samantha Sacramento.

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, it seems incredible that this is the last Budget speech of this Parliament, and that it is the eighth time that I have risen to deliver a Budget address.

10 During our two terms in office it has been my privilege to have held many portfolios. Of all of those portfolios there has been one that I have held from the very first day, and that is Equality. I am Gibraltar's first Minister for Equality, a responsibility that I am very proud of.

15 As Minister for Equality, I lead the Ministry for Equality, a Department that we as a Government created and which, for the first time, is dedicated to upholding equality principles and eliminating all forms of discrimination. It has been immensely rewarding to have been at the helm of a responsibility that has been groundbreaking in philosophy, in ideas, in policies and most importantly in legislation.

20 In December 2011, Mr Speaker, there was a fundamental change in that the electorate got a Government that stands for fairness and equality for everyone in our community. Our progress has been such that many may well have forgotten that we took over from an administration that did not share these fundamental values.

25 Equally, many will not have forgotten what it was like back then. As unimaginable as it may now seem, those were times when a same-sex couple had to challenge the then establishment, to be determined by the highest Court in the land, at great public expense, in order to assert their rights to a joint tenancy of a Government rental flat. Needless to say, the Privy Council determined that the State had discriminated against this couple. An administration with many shortcomings, Mr Speaker, and none clearer and more obvious than in equality; and, in particular, gay rights.

30 Thankfully, those dark days are gone and since the new dawn of December 2011 the imbalance on equality has been redressed and such shortcomings addressed because what, for them, was not even a dot on the radar of importance in contrast, for us, has been a priority.

35 June is considered to be the month to mark Gay Pride and it is therefore fitting, I think, that I should commence my address marking our progress on this important subject. It is incredible to now think that the first time the word 'gay' was mentioned in this Parliament was in my very first Budget speech in 2012 and gay rights were first properly achieved in this House in 2014.

Indeed, the first Bill that I ever moved in this Parliament was the Civil Partnership Act in March 2014, a landmark piece of legislation because for the first time in our history it enabled the formal recognition of relationships between couples of the same sex. It was also progressive because it extended to opposite-sex couples as well, something that we did ahead of the UK where it has only just recently been changed as a result of a challenge.

Up until that point, Mr Speaker, the gay men and women who lived in Gibraltar did not have their relationships, love and commitment recognised in the eyes of the law. This Act represented a historic step on what had been a long journey for respect, dignity and above all recognition of gay couples.

In our second term in office, in October 2016 I brought the Civil Marriage Amendment Act to this House to allow for the civil marriage of gay couples. At the time, the response to the consultation paper was the most overwhelming we had ever had, mostly in favour of the proposed Bill. The passing of that Act again demonstrated our commitment to reflect respect for all individuals regardless of their sexuality, and also strengthening the institution of marriage ensuring that it remains an essential building block of modern society. In addition, we have also legislated to outlaw homophobic hate crime and hate speech in 2013; such crimes are now aggravated offences.

Mr Speaker, equality is at the heart of this Government and it affects everyone. In July 2015, in recognition of our transgender community, we made provision to extend protection from discrimination for individuals who have undergone gender reassignment. The Department of Equality is currently preparing an awareness and information programme to raise awareness of the rights of individuals who have transitioned and also work with partner departments who provide services to ensure that the members of the transgender community are supported.

Mr Speaker, our Government's commitment to equality is embedded in everything that we do. Gender equality is another important strand of my equality portfolio. At the start of my tenure as Minister for Equality, I was keen to develop and introduce policies that would promote greater gender equality. Before that time, this was not something that was really discussed. I believe most resolutely that gender equality is a vital component of a mature and modern society and it is an intrinsic factor in our quest for social justice.

One of the strands of our Gender Equality Strategy is the economic empowerment of women. The annual overall earnings gap, as distilled from the Employment Survey, indicates that men earn significantly more than their female counterparts. We know that more gender-diverse and inclusive teams, organisations and businesses fare better than their less diverse counterparts. We know that having a gender balanced workforce and closing the gender pay gap can add millions to a country's economy. All of this has been amply demonstrated and widely documented by global and international agencies and these are indisputable and clear goals that the Ministry for Equality is working towards.

In order to secure more precise data, this year I issued Gibraltar's first Gender Pay Gap Survey to accompany the Employment Survey. I am very heartened by the positive response of the local business community. The survey which, this being the first year, is voluntary was issued to employers who employ 20 or more employees and we have had a response rate of 58%. In addition, a further 271 employers with less than 20 employees also returned a completed survey. So that is also very encouraging, Mr Speaker. I look forward to the final analysis of the data which will provide a clearer picture of where horizontal and vertical segregation may exist in the workplace. This will allow us to develop strategies to address these imbalances.

My recent attendance at the Equal Pay International Coalition's technical conference in Iceland in April was a prime opportunity to keep abreast of how to promote better indicators, statistics, data and policies to reduce the gender pay gap. Needless to say, Mr Speaker, closing the gap is a moral and social issue with micro and macro-economic benefits that we would be foolish to ignore, and we will therefore continue to address.

The under-representation of women in leadership and management is another issue which the Gender Equality Strategy seeks to change and we have embarked on various initiatives to

achieve this. The mentorship programme for women is another important part of our strategy on the economic development and advancement of women. I am delighted to say that after the great success of the pilot cycle which we commenced last year and saw the participation of 50 mentors and mentees, we have recently launched the second cycle. Interest in this initiative continues, and what is a key indicator of its success is that over 50% of the mentors who participated in the pilot cycle have committed to participate in this cycle once again.

Mr Speaker, the programme is going from strength to strength. It has been very well received by the business community and enjoys the support of key stakeholder organisations including the Chamber of Commerce, Federation of Small Businesses, Women in Business, Girls in Tech and EY, all of whom are represented in the selection panel.

I am most grateful to His Excellency the Governor, the Chief Minister and all of the other mentors who gave up their valuable time to give back, and to everyone involved in making this important initiative a success.

In some people's minds, Mr Speaker, gender equality is a women's affair – led by women and exclusively about women's issues. This is an erroneous idea and one that needs to change, and this is why we always involve men as well as women in our conversation. We are acutely aware of a contributor to the barriers that women face in their professional progression when it comes to recruitment, promotion and retention and on this basis I commissioned bespoke training on gender diversity and inclusion and specifically on unconscious bias for both the public and private sectors.

I am delighted to say that the response to the training was extremely successful with 100 attendees from the private sector. I believe that this engagement is telling of the business community's desire to ensure that women are more equitably represented in their workforce, and to harness the potential of all their employees. The training was also delivered to over 140 public sector officers including the uniformed bodies. All who attended are eligible to sit on recruitment boards and panels and this represents approximately two-thirds of people involved in public sector recruitment.

Challenging gender stereotypes is also an intrinsic part of our Gender Equality Strategy and it is particularly crucial when advising on professions and career paths available. Women are under-represented in certain STEM fields and we are working closely with the Department of Education led by my good friend, the Minister for Education, the private sector entities and NGOs, to address that.

At the Ministry of Equality we are used to dealing with matters that are innovative and groundbreaking. Another of our latest ventures in the quest for challenging gender stereotypes and advancing equality is the consideration of introducing statutory paternity and/or parental leave. Traditionally, women disproportionately take the majority of the responsibility of childcare. This is one of the contributors to the gender pay gap, where the gap widens around the age that most women have children. Furthermore, it is important to make the rights that are available to mothers equitable with fathers, so that fathers can play a more active role in childcare from an early age and effectively give couples more flexibility at an important time in the family's life to choose who looks after the children. Introducing parental leave would also benefit those in same-sex relationships.

After extensive research on the matter having been undertaken by the Ministry of Equality, we are now ready to commence a consultation to introduce proposed changes to maternity leave, to explore the options of paternity or parental leave which will be undertaken as soon as the consultation paper is finalised. We will be consulting with stakeholders, including the private sector, through the Chamber of Commerce and the Federation of Small Businesses as well as consulting with the Trades Unions. The Government is clear, Mr Speaker, that we must move away from maternity leave to parental leave. Our consultation will be on 'how'.

Mr Speaker, the local political arena, as you know, is another area where women are under-represented and warrants attention if women are to consider leadership positions and participate more actively in the democratic process, and this House is to be more representative

140 of our community. As I always say, there is nothing that I would like more than to see a more gender-balanced parliament. I am hoping that the proposal to extend parliament to include backbenchers will also assist in this, and that is not to say that I believe women should not be on the front bench alongside their male counterparts.

145 As Minister for Equality, and also as Ambassador for the Girl-Guiding movement, it was lovely to invite guides to an 'Equali-T' at my offices ahead of International Women's Day this year. The aim of the event was to promote discussion of gender equality, as well as to provide insight into the workings of Parliament and of women's suffrage in Gibraltar and in the UK – another aspirational measure, as I hope that I may have planted a few seeds in the minds of these young ladies and I will continue my work with them on this front.

150 Challenging gender stereotypes through raising awareness and information events is also central to the work undertaken by the Ministry for Equality. Marking International Women's Day with A-level students is now firmly established in the schools' calendar. It is a combination of an expression of the issue through speeches as well as through art and it is very important that the younger members of our community are given an opportunity to reflect upon and articulate their views on gender equality.

155 This year we extended our traditional Gender Equality Art Competition and used the winning images to create Gibraltar's national stamp for International Women's Day. It gives me great satisfaction that their message, in the form of stamps, is literally travelling the world. I also promote the concept at every opportunity that I have when I travel, particularly since the majority of my travels since the issue of the stamp have been on the topic of gender equality. I am also particularly proud to say that they are also in Royal hands as I was able to present a first-day cover of the stamps to Her Royal Highness, the Duchess of Wessex, when we met at a reception in New York recently.

165 We know that a world free from gender stereotypes would allow each individual to develop their full potential, free from limiting roles and expectations. The worst we can do is to narrowly demarcate and rigorously police what women and men can do, say or aspire to become.

Some may say that a lot of gender stereotypes are imposed on us from a young age, even in the way that the general theme in fairy tales is where the girl is either a hapless victim or a beautiful princess waiting to be rescued by Prince Charming. On this basis, and for these concepts to be given some thought and indeed challenged, I am arranging a short story competition where I will encourage such stereotypes to be challenged by our community.

175 We should never be complicit in limiting the full range of human emotion for men and women. The worst that we can do is to create, believe in and perpetuate hyper-feminine and hyper-masculine stereotypes that do not reflect the full range of human experience. That is a type of control that can prove to be very damaging and even fatal.

Consequently, changing gender stereotypes is extremely important as we know that these can have an impact on the specific physical and mental health challenges for the men in our community. That is why the Ministry for Equality has also marked International Women's Day at the comprehensive schools in the last few years. Additionally, last year we also celebrated International Men's Day by organising an information and awareness-raising event, together with the GHA mental health and public health services and local charities Prostate Cancer Support Group and GibSams on 19th November for the first time. We look forward to building upon this initiative in the coming year and would like to galvanise the entire community to support our endeavours.

185 On a more social side of the gender equality, Mr Speaker, last year I also amended the legislation to provide for breastfeeding in public places so as to support and protect mothers who choose to do so without discrimination.

Mr Speaker, turning to domestic abuse, this is something that has been at the forefront of my equality agenda. Early on in my tenure I set up a working group with a view to producing a national strategy on domestic abuse that would deal with the issue in a coherent and consolidated manner. The working group is made up of the heads of key stakeholder

Government Departments. The role of this group is twofold: first, to ensure that as Government Departments they have robust internal policies to deal with instances of domestic abuse; and additionally that their policies are aligned in a way that they work together in a co-ordinated fashion – as it is likely that those who encounter abuse will require the support of more than one service – and ensure that there are proper referral pathways so that they are afforded the best protection available. Those who suffer domestic abuse are entitled to feel safe.

Mr Speaker, I am acutely aware of the issues as well because I am constantly approached by individuals who have suffered domestic abuse and they tell me their stories first hand. Only in this past week I have seen two such individuals.

This strategy is working well, but of course is under constant review because there is always room for improvement. Over the past few months I have personally met with the heads of each of the relevant Departments so that they could update me on the progress being made. One of the focuses at the moment is to gather statistical data in a better way, in a way that is holistic between the Departments.

Of course, continuous training is fundamental to strengthen the understanding of the subject matter. Indeed, some of the representatives from the working group will be attending a domestic abuse conference in London next week.

Awareness is also key and we have run a very successful awareness campaign by way of an information clip, posters in public sector offices and now even on the back of buses to make them more visible. Additionally, the Department of Equality works very closely with the Department of Education and deliver the ‘Respect Programme’ in schools in an age-appropriate way – another successful multi-agency initiative that is also going from strength to strength. Support is also paramount, Mr Speaker, and Minister Costa’s announcement yesterday of two additional counsellors in the Care Agency will also go a long way to help tackle this matter.

Mr Speaker, I chair the working group and the strategy is co-ordinated from my office. In addition to thanking those involved in leading on this in their respective Departments, I would like to single out the staff in my office who drive this: Crown Counsel Karina Khubchand and my personal assistant Donna Mcleod, who incidentally is also in addition responsible for our very effective awareness campaign.

The throwaway comments made by the Leader of the Opposition on Monday demonstrates not only how little he knows about the subject, but also how little he has sought to learn because, despite the announcements that I have made on progress, he seems to just refuse to even acknowledge them. If anyone is out of touch, it is them.

Mr Speaker, making our community safe through effective public protection has been one of the highest priorities throughout my time in office. I chair the Strategic Management Board of a multi-agency public protection partnership that is responsible for the assessment and management of the risk posed by registered sex offenders and persons of interest in our community. Designated trained professionals from each of the partnership agencies have undertaken specialist training which is commissioned annually and takes place over the course of a couple of weeks in Gibraltar.

As Chair of the Strategic Management Board I have made it a point to ensure that no stone is left unturned when it comes to public protection of this nature. It has been a priority that all other partner agencies understand that the work of MAPPA is crucially important. Prevention and reduction of risk is paramount and this rehabilitation is achieved through intervention work. The risk managers are all highly trained in intervention work and this allows them to provide specific behavioural therapy and sex-offender-specific rehabilitation programmes.

Mr Speaker, I would like to thank everybody involved in MAPPA at every level, because it is something that is very difficult to do. I would also particularly like to thank the Deputy Chair, the Commissioner of Police.

Turning now to disability, there can be no doubt that this Government has done more to promote inclusion of people with disabilities than any other before. The Ministry for Equality has been extremely busy since its inception with the most landmark progress being the introduction

of the Disability Act passed last June. The Act changes the dynamic, and disability and inclusion really have a priority focus throughout the public sector in a way that is unprecedented.

Naturally, legislation underpins rights, but that is only part of our approach. We have always taken it further by developing policies and promoting good practice through training and awareness.

The introduction of the Disability Act was quickly followed by the passing of the Building Rules Approved Document R Regulations, which is similar to part M in the UK and gives the Department of Town Planning and Building Control the tools it needs to ensure all new building projects are as accessible as they can be.

We have drawn a line, Mr Speaker, and we have set the standards now needed to ensure Gibraltar is more inclusive in future. And for existing buildings we heard the Chief Minister announce relief to incentivise businesses and encourage more inclusive spaces within the next 36 months. Even before this landmark piece of legislation, we were preparing the terrain by ensuring that enough training opportunities were given to the relevant authorities and Heads of Departments within the Public Service. Indeed, much of this training was also offered to the private sector.

Since we took office it was already the policy of the Government, ahead of the legislative changes, that all our new projects were accessible. Many existing premises were also refurbished to make them accessible. It is therefore safe to say that we have changed the landscape on equality; and I mean this literally as well as in the philosophy.

No sooner had we announced our intention to pass the Disability Act, Mr Speaker, the Ministry of Equality was already making the necessary arrangements to provide familiarisation training for the new Act to all heads of the public service. Indeed the private sector has also had a chance to learn more about the new Act at our recent Disability Symposium – a symposium aimed at local businesses and also portrayed the benefits to a business that is inclusive.

This symposium on disability is a first for Gibraltar and included professionals who spoke about the law and disability, on making premises accessible and on interacting with people who have learning or communication difficulties; and there was also a part on appropriate language and etiquette. All in all, a very varied programme which was very well received.

Mr Speaker, the Ministry of Equality has of course continued to provide training during the last financial year. Last summer, the Disability Language and Etiquette training that forms part of the Government's Human Resources training programme now, was delivered to all Lifeguards and Beach Attendants employed that year as part of their training programme. This training was also extended to toilet attendants serving public beaches and the bathing pavilion. The same training had already been delivered the previous year to parts of the Civil Service and employees of both bus companies that provide our public bus service and private event organisers.

We have already seen the benefits this training provides. This House may remember the initiative introduced a couple of years ago at the Gibraltar Fair, where sensory adaptations were made for the first couple of hours to allow access to people with autism, photosensitive epilepsy and visual or hearing impairments; and also the sensory performances made available by Leisure Cinemas and by the Gibraltar International Music Festival. These initiatives came about because of the training and learning opportunities that the Ministry of Equality had organised; and Gibraltar is all the better for it.

During the last financial year, Mr Speaker, the Ministry of Equality has also continued to provide training on awareness. The latest seminar of our autism series, 'Working with Families' – the fifth in the series – was once again very well attended by the public and workers from the Department of Education and the Care Agency. Further training and awareness on learning disabilities and autism was also given to NGOs that had already attended the tier 1 training the previous year. We are planning a further seminar on autism in the autumn.

The result is that since the inception of the Ministry of Equality there are now more professionals, NGOs and family members aware of autism and learning disabilities in general.

295 This awareness leads to a better understanding of your role as a parent, professional or leader and this in turn leads to a more inclusive society.

This has always been my aim, Mr Speaker, to open up Gibraltar for the benefit of all who live in it or visit it. That is why under this Government our beaches are some of the most accessible in the world. This is why we have provided platforms and stands for our major events so that
300 people can join their family and friends and not have to stay at home. This is why this Government continues to invest in training and continues to try and make Gibraltar more inclusive.

Indeed, Mr Speaker, it was our Government who introduced the 'Changing Place' toilets. For those who may not be aware, this is larger than an accessible toilet as it needs room to cater for
305 people who have severe mobility impairments and may need the use of a hoist and an adult changing mat. Gibraltar already has a number of Changing Place toilets – in fact, more than are usually found in cities much larger than us. I still wish to improve further and my Ministry is liaising with the Department of the Environment to get this off the ground as soon as possible.

The Ministry of Equality is also in consultation with their colleagues at the Department of
310 Education in order to include disability awareness in the classroom. This is an important step in ensuring that inclusion becomes second nature to future generations. I would like to add at this point, Mr Speaker, my thanks to my good friend, the Minister for Education, and teachers and staff at the Department of Education who, from the very beginning, have shown to be eager to attend all the training and informative seminars we have provided, and have supported us and
315 our message all the way. It is thanks to the feedback we have received from them that we are now working together to identify relevant training that will enable them to further foster inclusion in the classroom.

As part of our objective to promote inclusion and independence, Mr Speaker, our latest progress is that the Ministry of Equality has launched the Disability Information Card. This
320 initiative is purely voluntary, but will allow the user to carry a card that can be used as a discreet communication tool. In order to ensure that this project is as successful as possible, the Ministry of Equality consulted key stakeholders, disability groups and charities at the beginning of the planning procedure.

This card will be especially useful to people with invisible disabilities that may need to
325 communicate their needs in a discreet way, and could be particularly useful to users that may find themselves alone and in a situation where they would otherwise find it difficult to communicate to others. The information contained in this card will also be beneficial in an emergency situation as all emergency services were consulted at the planification stage and are aware of its use.

All in all, Mr Speaker, it is abundantly clear that our Government's commitment to equality
330 has naturally resulted in remarkable progress in achieving an inclusive society and is a recognition of modern Gibraltar. I am extremely proud of the work undertaken by the Ministry of Equality, a Department that I have seen grow and which is in no small measure responsible for such progress because of the true dedication of a small and hardworking team headed by
335 Sabina Guillem.

Mr Speaker, I will now turn to my housing responsibilities. Housing is a fundamental cornerstone of our community. It is without the shadow of a doubt that our Government has a track record in the provision of housing needs for Gibraltar at every level. Providing affordable housing to a high standard is a top priority for us, not least because of its natural consequential
340 effect on the demands on the overall housing waiting lists.

In our first term in office, Mr Speaker, we provided almost 1,000 new homes by building two new estates at Beach View Terraces and Mons Calpe Mews. Add to that a further 161 homes that were formerly MOD premises. In this term we have announced *three* new housing estates. We have already launched Hassan Centenary Terraces and Bob Peliza Mews and at the end of
345 this month we shall be launching the third estate, on the site of Westside School. In all, these estates will provide a total of a further 1,365 homes.

I know that there are many families who are very excited at these new opportunities. In relation to Hassan Centenary Terraces alone, we have received 2,341 applications. That is almost four times the number of flats available and therefore proof as to the interest in acquiring these properties.

Importantly, as well, we have introduced stringent measures to do away with the speculation and abuse and excess profits on resales in future to ensure that affordable housing continues to be available and affordable. The Leader of the Opposition, Mr Speaker, acknowledges that this is a good thing. He did, however, describe it as a 'minor adjustment'. But this is anything but minor; it is a fundamental shift, but I suppose that offering double congratulations is too much, even for him.

This review is a real game changer and on the whole the response to it has been overwhelmingly positive. There may be some who do not like it but all that belies of them is that they did not purchase for the right conditions.

I have one further new announcement to make, Mr Speaker, in relation to changes made to the resale of affordable housing, and that is in relation to those who own property on co-ownership terms. Up until now the practice has been to sell them on terms as if there were owned on a 100% basis, having acquired the remaining share from the proceeds of sale, but before completion. This is not what was intended in practice and we will be writing to all practitioners setting out the new mechanism whereby homeowners must purchase any remaining share of their properties with their own funds before being able to sell on a 100% basis.

So, Mr Speaker, to summarise, in our two terms in office we have offered a total of 2,181 affordable homes for sale, compared to a total of 807 flats offered by the GSD in their *four* terms in office. Essentially we have provided over 2½ times of what the GSD did in half of that time. I make this point because yesterday the Leader of the Opposition said that housing in Gibraltar was broken. Nothing could be further from the truth: what was broken was their systems and not providing a constant flow of homes; and what was literally broken, Mr Speaker, were the blocks that they built at Nelson's View, Bayview and Cumberland and where this administration has, as we heard the Chief Minister say on Monday, had to invest hugely in remedying the defects.

They make a lot about the fact that they built an estate for rental at Mid Harbour Estate. Guess what? That *one* estate they built is broken, literally, as well, due to faulty construction. The taxpayer will have to remedy that, too. I wait to hear the full extent of the report and what is required in that respect.

Mr Speaker, in addition to the construction of affordable homes for purchase, we have also built purpose-built flats for the elderly. In our first term we built Charles Bruzon House and Seamaster Lodge. I have already announced that we will be constructing further purpose-built homes for the elderly in the new affordable-housing estates, replicating the successful model at Seamaster Lodge. Both new estates will therefore provide additional rental flats which will also have a knock-on effect on the rental stock available by the release of this rental accommodation.

It is clear, Mr Speaker – or, rather, it seems to be clear to everyone, except some – that there will be a direct knock-on effect on the demands of the housing waiting lists for rental.

Regrettably, Mr Speaker, the GSD has a one track mind in this regard. They continuously repeat their mantra of demanding means testing for housing, which shows just how out of touch with reality they are, because this just does not work.

Another baffling argument that they propose is that young adults should be precluded from joining the housing waiting lists, essentially preventing them from the chance of getting into the system. Again, demonstrating the GSD's little understanding of how the system works.

Mr Speaker, by providing a continuous stream of affordable housing, people aspire to purchase in such schemes and this has a much better net effect on the waiting lists for rental for those who cannot afford to do so. It is that simple. A broken housing system is one where you do

not provide sufficiently; and that is what they did – and that is a real legacy problem that we had to inherit, but we have turned around.

That is why we gave careful thought to our categories in allocation, to achieve the fairest all-round allocation priority in the new affordable housing. In the first round of applications for Hassan Centenary Terraces we have at present received applications from 130 people, who would release vacant possession of Government flats on completion.

In addition to this, Mr Speaker, I am also happy to announce a new initiative in relation to elderly people who own their homes. We have had many approaches from people, most of whom live in the first wave of affordable housing schemes and are therefore now at an age where they would much prefer to live in the purpose-built flats for the elderly, and they have expressed to us their wish to surrender their own homes in order to take up the opportunity to live in rented, purpose-built accommodation. *(Interjection)*

Mr Speaker, some people on the opposite benches maybe interested in what I am about to announce, because on this basis, given the interest that has been expressed to us, I can announce that those who wish to do so may surrender their flats to Government in return for being able to avail themselves of rental flats for the elderly, on the basis that the property being surrendered is worth at least the development value of the rental flat.

In addition to this, Mr Speaker, let's also recall the number of post-war rental accommodation that was sold off under the GSD policy. We stopped this practice but in the end there were 183 flats sold in total. This was a bad deal for everyone involved and I am often contacted by those who regret having purchased, particularly more elderly people, because they would much rather avail themselves of moving into our purpose-built flats for the elderly instead.

We heard the Chief Minister announce on Monday the rate at which the Government will reimburse everyone who has changed their mind, having purchased these post-war flats. If everyone were to return their flats we would have a further 183 flats returned to the rental stock that has been denied to us. Essentially that is the equivalent of building a small estate of rental flats – which have been denied to us.

It is painful to hear the GSD say that housing is broken. If anyone broke it, Mr Speaker, it was them; and they did so for sure. They cannot hide from that fact. **(A Member: Hear, hear.)** They just do not seem to understand the consequences of their neglect of our community's housing needs and still do not understand how they should be met, because they continue to insist that there should be construction of homes for rental to tackle the waiting lists.

To make the point, Mr Speaker, let's do the numbers and demonstrate how, by constructing affordable housing and rental homes for the elderly, as well as the return of post-war flats sold, we have increased the rental stock with its obvious natural, consequential effect on the housing waiting lists – without having to construct additional flats for rental.

The figures are as follows: 130 flats returned by those who have applied for Hassan Centenary Terraces and who would give us vacant possession upon completion. No doubt there would be more in the other two upcoming developments, but let's stick to the figure of 130 for now. Also, 119 new homes for elderly rental accommodation in the forthcoming estates that we are building; and add to that, 142 flats for elderly rental already built at Charles Bruzon House and Seamount Lodge. Add a further 183 post-war sales flats, which have been taken from the rental stock – and they should never have been lost from our rental stock, Mr Speaker. If all were to be returned we would have an additional 183 – and I sincerely hope that they are.

That, in total, Mr Speaker, is effectively an additional 574 homes for rental returned to stock so far in our two terms. *(Interjection)* That provides just slightly less than all of the rental stock in our two terms in office than they built in their *four* terms in office with Mid Harbour Estate, Bishop Canilla House and Albert Risso. *(Interjection)*

Needless to say, the additional construction of affordable housing, which I have not factored into these figures, will naturally alleviate the remainder of the waiting list. The mathematics just could not be clearer and I cannot understand how they can be so blinkered as to not see it.

450 And that is, Mr Speaker, allocations as a direct result of our construction alone. We must add to that the allocations of rental stock by way of the normal turnover of the Housing Department rental flats. (*Interjection*) And when I say 'normal turnover' I must congratulate my Department because the turnover this year is anything but normal because we have had a record number of allocations.

455 Furthermore, insofar as providing rental accommodation for those on the waiting list who are unable to afford to purchase, I am extremely proud to say that the Housing Department is providing a turnover of refurbished flats for allocation at the record fastest rate ever. This is one of the real successes of the Housing Department and the figures prove the unprecedented performance of this Department which is serviced by a truly dedicated, professional and hard-working team.

460 To put that into context, Mr Speaker, a total of 265 allocations have been granted since 1st April last year to date; and 37 of these have been to senior citizens by way of purpose-built flats for the elderly. This is an incredible achievement and a record high considering that there is no longer the direct knock-on effect of the Beach View Terraces, Mons Calpe Mews, Charles Bruzon House and Seamaster Lodge allocations, the benefit of which we mostly took last year when we had a high number of 312 allocations. But the year before that, Mr Speaker, in 2016, the number of allocations were 109; and the year before that, in 2015, the figure was 127. So the evidence is that this year's figures are a true testament to the improved workings of the Housing Department and we are seeing the results of the focused changes that we have made.

470 Mr Speaker, since 1st April 2018, the Housing Department has received a total number of 662 applications for Government housing. The Reporting Office at the Housing Department continues to process reports and forward these to the relevant Departments and authorities. They continue to obtain feedback for clients on the progress of the work by way of the counter, telephone calls and emails. They have established a good, proactive working environment with a large number of entities such as: the Housing Works Agency, GGCC, GJBS, the Environmental Agency, Gibelec, AquaGib, Technical Services, Britannia, the Royal Gibraltar Police, Gibraltar Car Parks, the Gibraltar Health Authority and the Care Agency.

480 Mr Speaker, in 2018 the Housing Department Reporting Office received a staggering total of 15,287 reports for repairs and refurbishment of flats. The Reporting Office now has a more leading role in the managing of the work orders and flat refurbishments and, in order to accelerate the allocation of flats, a very tight deadline is set for their refurbishment. I have set key performance indicators in the Housing Department as if it were a private company that needs to report to its shareholders. We take into account the works that are required and the Reporting Office is a key player in ensuring that the departmental KPIs are met. They chase this and they liaise on a daily basis with the Housing Works agencies and the subcontractors in order to achieve the targets so that the deadlines are met.

490 Our traffic light system, which we have recently implemented, allocates different targets depending on the complexity of the works. But on average, Mr Speaker, the turnaround on the refurbishment of a flat should take no longer than three months, whereas in previous administrations the more likely average was closer to two years. All information on the refurbishments is updated daily in order to achieve this.

495 Mr Speaker, the Housing Department continues its hard work in the recovery of rent arrears, as well. Since the Department commenced its concerted effort of recovery in 2016, it has to date reduced the outstanding amount by £1.3million. But, more importantly, it has put the brakes on the pace at which arrears are being accumulated. This has been achieved by using a multi-faceted approach.

500 By expanding the options available in which to make payments of rent, it allows a tenant the flexibility to be able to pay by their preferred option whether this is online, by way of standing order, or via deduction from their salaries or pensions. Payments, therefore, are easier than ever before and I am happy to say that 65% of rents are now collected by these secure methods. We therefore ensure that rent is paid.

We are now also engaging with the private sector for employers to offer this facility to their employees who are Government tenants who may wish to take this up. The Department has also ensured that the correct systems are in place and notifications are received to alert the Department immediately if any tenant commences to default on their rent. This process enables them to contact the tenant far sooner than ever before and engage with them before any debt begins to build up and becomes a further burden on the tenant.

The Department continues to meet with tenants on a daily basis to arrange a repayment plan or adjust an existing repayment plan, to meet both their needs and ours. These meetings are very useful as they allow the Department to identify those tenants who have genuine hardship and are unable to pay their rent. All cases are considered on a case-by-case basis and careful consideration is given to those who may have social or medical aspects. This helps the Department determine those who genuinely cannot pay and those who do not want to.

Since June 2018 a total of 283 interviews have been held with tenants in arrears. They have made agreements with the Housing Department in order to repay the outstanding debts. The amounts secured via agreements, Mr Speaker – and this is very significant, because they may not necessarily reflect when we talk about the balance that is recovered ... but the balance that has been secured by way of agreement is £606,362.

No, sorry, Mr Speaker, that is the wrong figure, the Housing Department by way of agreements has secured £2,034,655. So that is the significance of that process which is again something else that did not really exist before.

However, despite all of these initiatives and, as the Department continues to strive to engage with all those in arrears, there is regrettably a minority of tenants who *can* pay and do *not* pay. These tenants have no social or economic hardship which would qualify them for rent relief, and yet they continue to default. For these people the Department has therefore been left with no option but to commence legal action to recover the unpaid debt and, to this end, the cases have already been sent to the Office of the Director of Public Prosecutions to pursue recovery of arrears in Court.

As you can see, Mr Speaker, the Housing Department as a whole has taken a very proactive approach in ensuring that none of its tenants fall behind in payments causing an increase in arrears, and certainly not at the unprecedented rate of 2011. The reality is that it is very difficult to recover arrears of rent after 20 years of no action whatsoever. As an example – and the Leader of the Opposition may wish to note this figure – there are 231 tenancies which owe rent, but whose tenants had passed away before December 2011. That just paints a picture of how difficult recovery is, but is one example, Mr Speaker. We have a very close relationship with the various tenants' associations and the help and guidance that they offer us in relation to issues in their particular estates is always incredibly helpful.

Turning to the refurbishment of housing estates: last year I was honoured in declaring that both Glacis Estate and Moorish Castle Estate were virtually complete. The morphed changes to these estates has most definitely boosted the living standards of tenants and visitors alike. This is more noticeable at Glacis Estate and Laguna Estate – estates which have made a big positive impact on the skyline in the area, being one of the main access arteries into Gibraltar. First impressions are of paramount importance and when you provide a much-needed mega-uplift to existing buildings in estates that were once considered the forgotten estates, you end up with two brand-new estates. These estates will not be maintained by themselves and that is why the Government will be further exploring the implementation of maintenance and repair programmes so that these estates do not fall into disrepair again.

Mr Speaker, it must be further expressed that the magnitude and success of this Government's enterprise is down to the sheer determination of all those involved with the project, from the Ministry for Housing by way of the Housing Department and Housing Works Agency to the contractors, GJBS, and all those service providers and subcontractors. The three projects have gone beyond their original and pre-determined scope but this has also been due

to additional works and other significant variations that will complement the overall appearance of the estate.

555 Mr Speaker, the Government will also commit to carrying out external refurbishment of other housing rental building that form part of the Government's remit. There are many that we have already commenced which are very close to completion, such as Alameda Estate, Bishop Canilla House and Catalan Bay which will look glorious once we have finished it very shortly – just to name a few estates. But, Mr Speaker, the importance is that we ensure we have robust
560 maintenance programmes for all our estates going forward so that they do not fall into disrepair again.

Still on Housing, Mr Speaker, and in addition to all this, we also have an ambitious project of urban renewal of Government pre-war properties in the Upper Town. We have been very proactive in identifying many properties that were empty during the GSD years and many have
565 been sold to provide further housing. And already 20 tenders have resulted in over 120 dwellings.

We continue to develop urban renewal and there is a specific project where the remaining pre-war dwellings continue to be strategically decanted so that tenders can be undertaken in clusters. And, Mr Speaker, when the Leader of the Opposition referred to the Auditor's Report
570 on Monday, in relation to void properties, the majority of the void properties relate to these properties which have been decanted for the benefit of the urban renewal project. As a result of this project we are about to issue a tender for the next one: the renewal of the Old Married Quarters next to Moorish Castle Estate. This building consists of 10 apartments of varying sizes and a tender notice will be issued shortly.

575 Mr Speaker, turning to controlled rent I have already announced that I have set up a working group to undertake a thorough review of the Housing Act. This commitment arises out of the need to make necessary changes so that the legal framework works more efficiently for the Government as well as for those who we serve. This review also includes the provisions that relate to private residential landlords and tenants and particularly controlled rents.

580 The review has already highlighted a number of amendments which would be required. These have been drawn up as a result of a consultation process which of course is ongoing. The latter is something that has been ongoing with successive Governments but I believe, Mr Speaker, this is the first time that a review including professional advisers and stakeholders has occurred.

585 I have personally met with representatives of the newly established Landlords' Association on a couple of occasions and we have agreed on a couple of principles going forward. I have also received representations from Action for Housing, which are most helpful.

The key is to find a balance that is realistic in this day and age, while maintaining to protect tenants with particular rights. We need a fair resolution to the problems and issues that are
590 currently faced. It goes without saying that decontrolling rents is *not* an immediate short-term solution and there is no need for concern by those who are afforded statutory protections. The Government's approach is a long-term, holistic and integrative one to deal with the problems that arise from the Housing Act and to balance this with the Government's drive for urban renewal, particularly regeneration of the Upper Town.

595 The Government has a duty to ensure that tenants who have the benefit of controlled rents are not rendered homeless; however, it is equally acknowledged that extremely low rents are no longer sustainable in the long term as this makes it almost impossible to maintain. At the same time, Mr Speaker, tenants cannot continue to live in substandard conditions. I am committed to changing the law to achieve a fair outcome. On the basis of the representations from
600 stakeholders that I have received, I have already commissioned a thorough study of rent-controlled properties in Gibraltar and will issue a consultation paper as soon as this is concluded. An immediate change that I have already commissioned is the creation of a register specifically for controlled tenancies so that there is a clearer picture of the situation, and which will also protect from abuse by fictitious tenants.

605 Finally, on Housing, during this year Mrs Geraldine Reading has been appointed Principal Housing Officer – my congratulations to the leading lady of the Ministry for Housing on her promotion; (*Banging on desks*) and as well, of course, to her truly dedicated team at the Housing Department.

610 My thanks also of course to my team at the Housing Works Agency led by Ruben Rodriguez, not least for the continued changes in working practices which we have implemented and given effect to the changes we have seen. Mr Speaker, I would like to thank all the groups and voluntary organisations that we work with and who provide us with invaluable advice as we strive to reach our common objectives.

615 Last, but by no means least, I must thank the team in my ministerial office led by my Private Secretary, Audrey Vella, for their indefatigable dedication to the work that we do on a daily basis and to their commitment. On some days it feels as if the whole of Gibraltar calls our office for help, but they will always endeavour to help everyone with the dedication and the passion that they always do.

620 Mr Speaker, finally, I wish to extend thanks to yourself; to the Clerk and to the team here in Parliament; and particularly to the Clerk who looks after me so well on all our CPA travels and given my particularly heavy involvement with the CWP.

625 It has been a year where the Chief Minister and the Deputy Chief Minister have once again proved their unstinting dedication to our community, navigating the treacherous waters presented by Brexit; (**A Member:** Hear, hear.) but with their leadership (*Interjection*) and my Government colleagues working together as a team, we have provided our best for our Gibraltar.

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

Mr Speaker: The Hon. Lawrence Llamas.

630 **Hon. L F Llamas:** Mr Speaker, it is with great honour that I rise to deliver my fourth Budget address, in all likelihood the final one I shall deliver to this Parliament for the foreseeable future.

635 It has been a tremendous privilege to serve this community over the past four years. Being able to serve our people in one of Gibraltar's critical junctures has not just been a major learning curve but more importantly a duty I have executed with pride. (*Banging on desks*) Thank you.

I hope people who I have met through the trajectory of my term in public life have felt that I have represented them well. I certainly have given it my best shot.

640 Before addressing the areas of my responsibilities, I shall touch upon some of the initiatives I have led throughout the past year since my last Budget address. To this day the issues which I have raised are still affecting our community.

Mr Speaker, I would like to start my address with what I feel is the most important area within my shadow responsibilities and that is mental health – an area which should continuously remain at the top of the political agenda.

645 In an appropriation of almost £130 million towards our Health budget, only a very small percentage will in actual fact reach the mental health services – 6% in 2017 by the Minister's own admission. Mr Speaker, I say so once more, according to the Hon. Minister for Health just 6% of the budget reaches mental health services. As a result there is still a long way to go before mental health is treated equally to that of physical health.

650 I welcome the recent announcement from the Minister for Health regarding the new liaison nurse based at Ocean Views as an improvement to the existing service; however, I strongly believe this is simply not enough and more radical policies have to be implemented.

655 I have publicly stated what the GSD position is regarding mental health. Firstly, the need to care for persons within the community as much as possible by expanding the domiciliary care into mental health services and starting household care services too. Secondly, we believe there is a need to create supported internships for persons living with mental health illnesses. I would like to take this opportunity to recognise the good work done by the charity Positive Pathways in

this area, but far more needs to be done and I shall talk about supported employment later in my address. Thirdly, the GSD's published policy is that there is a need for a crisis and management team to deal with instances of crises, but also follow-up care and management services.

Last October I undertook the Healthy Minds Matter Survey. The point of this was to try and understand what the drivers affecting mental wellbeing are, together with what the issues that affect service users living with mental health illnesses are too. I was pleased it did in fact serve its purpose. One of the main points revealed in the survey was how easily people who are living with mental health issues can give up on seeking appropriate care if the appropriate care service is not there to embrace them.

Mr Speaker, accessibility is key. Additionally, for those persons already in the system there are instances in breaks of continuity of care and an apparent lack of aftercare which dramatically undermines the chances of long lasting recovery.

During the summer of last year, there was a major crisis in the mental health services with the rapid turnover of psychiatrists, or rather the lack of active psychiatrists in our community. The crisis was eventually overcome and psychiatrists were brought in; however, I am still to this very day receiving concerns from service users as to the turnover of psychiatrists and how their care and relationship with the professional is effectively reset to zero every time a contract is not renewed, or a psychiatrist decides to leave because of the instability of the post.

Therefore, the Government's recent announcement that a liaison nurse has been assigned the responsibility of essentially fronting the service is not enough. We must do more to ensure that not only we retain the best professionals in the service but that we increase investment in resources and not just in the buildings. We must do more to ensure there is a liaison team who can properly manage care in and out of the community. Service users build a relationship over time with consultants and professionals and it is safe to say that it is simply not right to have to explain what their health issues are every time there is a new consultant.

Mr Speaker, during the last year I have tried to understand low morale and absenteeism in the GHA. Last year I carried out a survey on morale and the results coincide with everything that is being said by our Unions and workers, not just in our Health sector but in law enforcement agencies and Civil Service Departments too.

Workers feel neglected and often not consulted. Workers claim to be undervalued and under-resourced. There are also allegations of bullying and intimidation which often do not get reported or, if they do, are not rigorously investigated. Greater consultation and communication with employees in the sector is required. This must be conducted in a safe and secure manner that does not expose employees to any negative detriment.

At the same time, absenteeism is of huge concern. I have tried to understand through questions in this House the extent of absenteeism in our public health sector, together with the reasons for the absenteeism too. Unfortunately, I have not been able to study any statistics in relation to this, because the Government does not adequately harvest any data. However, absenteeism is a costly affair with relief cover running into millions of pounds and substitution allowances being paid left, right and centre.

This is a serious issue which must be tackled. The Government has not given this the priority it deserves. In the Principal Auditor's report from 2015-16, the Principal Auditor highlights the mismanagement and lack of control in the GHA with regard to sick and annual leave records. This goes to the heart of why we need e-services, not just for service users but for the Government as an employer too.

The Principal Auditor has also given examples of leave records not being updated for over seven months in some cases. He has also highlighted approximately 24% of records examined as inaccurate. This is worth investing in and managing. We have the technological advances at our fingertips to turn this around, but instead we are not doing anything about it.

Mr Speaker, I would like to take this opportunity to thank the Hon. Minister for Health, Care and Justice, Mr Costa. He has opened the doors to the Ministry and made available senior

officials to discuss particular cases or issues. I applaud his non-partisan approach when dealing with matters brought to his attention. *(Banging on desks)*

With a proposed budget for this financial year of £128 million, questions about the GHA's efficiency and value for money need to be made and I do trust that the Minister is very thoroughly looking into it. It can certainly be said that our GHA is not limited when it comes to funding, and long may it continue, Mr Speaker; but there are systemic problems in our Health Service which means the investment does not trickle down to the relevant services.

The GHA is to be commended for the number of surgical and non-surgical procedures it undertakes and the Minister should be rightly proud of his legacy in this area which he has fought hard to achieve. However, the breakdown in communication systems internally and with patients is a gap that needs to be addressed. The proper filing of records and the ability to locate files promptly are critical matters which must be addressed too.

Additionally, the need to repatriate services has never been more essential than it is now, with the backdrop of Brexit and the challenges this may bring. Whilst I appreciate that the Government has been focused on this issue, evidenced by the record-breaking £19.4 million spent on sponsored patients in 2016-17 to £11.4 million spent in the last financial year. However, the increase in this year's forecast to £14 million sends mixed signals as to the intention of the Government moving forward.

Mr Speaker, I have publicly asked the Government to provide details in relation to contracts entered into with health providers. It may be standard in commercial contracts that parts of it may be commercially sensitive, such as the itemised value of specific services; however, there should be certain information which could be made public.

I therefore repeat my plea to the Government to respond on what I feel are reasonable and legitimate questions that is: the overall value of the contract; whether fees are payable per patient treated or a flat monthly fee, or a combination of both; the commencement and expected duration of the contracts; the number of patients currently receiving care at these tertiary centres, and the expected number of patients expected in the future under these agreements; and finally, what aftercare patient support procedures are in place.

I would be grateful for clarification as to why the increase in the forecast for the current financial year is to £14 million with regard to sponsored patients.

Despite the huge budget in our Health system we are still dependent on tertiary centres for standard cardiac and neurology care. This surely must become a priority for our short-term future. I call on the Minister to seriously consider employing full-time specialists in these areas locally.

We welcome the Minister's achievement in securing access to pharmaceuticals at the best prices via the NHS drugs framework in two years' time and the exceptional interim procurement of pharmaceuticals via NHS Trusts – this will no doubt reflect in a positive cost reduction for the taxpayer.

Mr Speaker, I would also like clarification regarding the rental contracts entered into for the new Primary Care Centre and the new Paediatric Centre. We know the rental costs will exceed at least £1.3 million per year, but how much has the actual extension building cost? What has happened to the new building for the new ambulance and the new MRI, supposedly catered for in last year's estimate alongside the new Primary Care Centre and Paediatric Centre?

Finally, what would happen if Government-owned buildings better located become available and a future Government would wish to consider moving the facilities of the Primary Care Centre and Paediatric Centre to a Government-owned property? What are the arrangements regarding the buildings built on rented land paid by the taxpayer?

Now moving to the Primary Care Centre appointment system, I must say that the system finally seems to be working better and the investment of £75,000 is certainly money well spent. I commend the Minister and his team in this regard. The feedback I receive is generally positive; however, there is a need for an online system that cuts back the time to book appointments with specific doctors. There is also a need to prioritise appointments with specific doctors for

persons with disabilities and persons with recurring illnesses. I hugely welcome the forthcoming changes for persons up to the age of 18 with disabilities when services are transitioned to the new buildings. However, additional needs has no age and a bespoke service should be extended to all those who require greater support regardless of age.

765 Since I first entered this House I have been calling for greater measures for carers. It gave me great pleasure to hear the Minister recognise the 'silent champions' in our economy that carers are. We must commit as a House to recognise carers beyond thanking them, but to look into proper policies which take into account training, respite, additional support and a carers' allowance.

770 Mr Speaker, I now turn to another area of my responsibility, the elderly. It is no secret that we have an ageing population. As such, we have a duty to ensure that we care for the most vulnerable in our society, but crucially we must also ensure that we can protect the benefits that our elderly enjoy for future generations. Planning the future Health and Care Services for an ageing population is a reality. Financial investment is crucial. We must develop a sustainable public policy which returns a dignified and high level of care for generations to come whether persons are affected by low mobility or are living with dementia.

775 Mr Speaker, we in the GSD strongly believe there is a need to create a sustainable elderly care plan where funds are ring fenced to ensure appropriate Health and Care Services for the future. If elected, the GSD is committed to this. That is to say that the workforce of today prepare to finance their own care of tomorrow.

780 Additionally, Mr Speaker, the Government should be promoting and facilitating community building initiatives, especially those done to support the most vulnerable in our society. As an example, it is unacceptable that the GADS – the Gibraltar Alzheimer's and Dementia Society – were given notice by the Housing Department to vacate Bishop Canilla House via a letter, with no consultation. We owe a debt of gratitude to this society who is continuously fundraising and channelling those funds into areas which enhance the service provided to service users.

785 I therefore fail to understand how the common room at Bishop Canilla used by the society was revoked. The society hosted support group meetings to create fidget blankets, amongst other things, which were designed to help those living with dementia and their carers. Mr Speaker, I hope that this can be resolved urgently and commend the good work done by GADS for the most vulnerable in our community.

Moving on to elderly housing, the Government recently announced that it would be building more specially built accommodation for the elderly. The GSD started this, as the creators of such a life-changing policy for our elderly. We of course welcome the announcement.

795 We welcome the announcement of today from the Minister to include elderly persons who live in private accommodation. However, we do differ in that we believe in means testing and as part of our means-testing policy the eligibility criteria to reside in one of the current or future elderly Government rentals shall be extended to those who live in private accommodation. This would allow elderly individuals who currently own a private accommodation to pay a substantial, means-tested amount to rent or purchase into Government specially built accommodation.

800 Additionally, Mr Speaker, the Stay and Play programme during the summer proves extremely successful for the period it runs; however, we in the GSD for reasons already expressed publicly believe that it should run until the Friday before school commences. But also that this sort of initiative should be extended to the elderly, to keep the community engaged and motivated throughout the year.

805 Finally, Mr Speaker, the Government has accepted the principle to reduce supply workers as much as possible. My concern is always one based on continuity of care whilst appreciating the balancing act when bringing costs into account. Last year when the Government decided to pull Grand Home Care out from John Mackintosh Wing and award the future care contract to MedDoc, it was welcoming to learn that the majority of employees were transferred from one provider to another. However, I shall be asking the Government for an explanation at

Committee Stage as to why the estimated appropriation for last year of £1.1 million has resulted in £1.8 million and is expected to grow further to £2.3 million.

815 Mr Speaker, I now turn to the youth. I must pay tribute to the dedicated youth workers in our community. They are truly vocational and make the most of the resources available to inspire our younger community. The investment in GAMPa is also to be welcomed, together with the work done by the extraordinary professional team. This is now transcending into our schools and the positive effects are remarkable.

820 Yet we must find ways to get children away from their screens, interacting and developing their skills. The long lost Cinema under the Stars was a fantastic community event. I urged the Government last year to bring this back, whether at the Alameda Open Air Theatre or alternative venue. It makes sense from a family point of view but also from a tourism point of view. Perhaps the Minister for Culture can enlighten me today with an announcement with this regard?

825 Mr Speaker, I welcomed the regulation on sales with regard to energy drinks. Despite not having any inclination to do anything about this back in September 2017, I am glad the Government had a change of heart. However, Mr Speaker, it is important to be consistent in approach. If the Government is serious about introducing measures to promote children's health and launch the Children, Healthy and Active Multi-agency programme, known as CHAMP, then
830 how can they defend approving the conversion of the former South District Post Office as a sweet shop next to a large school?

Indeed, Mr Speaker, the lack of threading policies throughout Government actions is demonstrable. Indeed, the same can be said for the options available in public facilities around Gibraltar in vending machines in hospitals – not just for our children but our adults too –
835 drawing particular attention to the amount of fizzy drinks available at Ocean Views.

Moving to another area of my responsibility, families; and later this week I shall be publishing an opinion piece based on the proposed reform on parental leave – an attempt not to just equalise the gender pay gap, but also to narrow the gap between the private and public sector.

Mr Speaker, one thing I would like to bring to the attention of the House is the number of
840 men who come to see me who fall out of the system following relationship breakdowns. We have a duty to support men who often lose out on quality time with their children and find themselves in unfortunate accommodation facilities. I believe Women In Need assist those men as and when they are able to do so, but at the end of the day they function as a charity for women who have been subjected to domestic violence, not a shelter or hostel, and certainly not
845 designed for men. I would like to pay tribute to the work done by Gianella Attard and Michele Perera, and not least to Claire Borrell who founded the charity and built it to what we see today.

Whilst on the subject of families, Mr Speaker, I would like to add my perspective on the sale of the 50% equity share on the six affordable housing estates: Waterport Terraces, Cumberland Terraces, Bayview Terraces, Nelson's View, Beach View Terraces and Mons Calpe Mews. If the
850 Government has raised £165 million which is to be used to fund new affordable co-ownership projects, why is it that purchasers are being asked for substantive monthly payments beforehand which would be equal or higher than their future mortgage payments? Why not means test those monthly payments instead?

And, whilst on the issue of affordable housing, Mr Speaker, what is happening with our
855 imaginative designs? The new schools and the new Bob Peliza Mews look pretty much the same. Where is our diverse talent and vision in architecture?

Mr Speaker, I now turn to drug misuse, another extremely important area of my shadow responsibility. I must state my disappointment at the Chief Minister for not addressing this area within his Budget address; it does not augur well from a perspective point of view.

860 In a four-hour speech the Chief Minister seemed to either forget, or conveniently forget, to include a reference to the drugs issue which is appalling to say the least. Not one word on policies, on the future or on how the Government intends to tackle the problems we have ahead.

Over recent months, there has been a considerable amount of public debate on drugs. Mr Speaker, the GSD has a track record and was a pioneer in the area of addiction and rehabilitation, in particular former GSD Minister Hubert Corby and the Bruce's Farm Trust employees. It is lamentable that the project has not changed much in the past eight years, other than by diminishing the number of beds offered. We have committed to providing alternative pathways to the criminal route based on care, education and support to those individuals who are caught with Class A or B drugs that amount to personal use.

Depending on the class and quantity of drugs this is to include: specifically designed education classes; compulsory attendance at support group meetings; community service; and rehabilitation programmes. The same will apply to those who test positive in A&E. Over the past two years we have had more than 500 cases reporting at A&E. However, we in the GSD believe that there should be a criminal fallback position for users who do not wish to engage in alternative pathways and that drugs will remain as illegal and criminal substances in law. This is our view and this is what we would wish to tackle when it comes to recreational drug users.

In addition, we have also set out our wider policy on drugs. This includes providing a crisis care and management team to assist addicts in the community at times of need.

Regarding rehabilitation, we believe that addicts should be rehabilitated from home as much as possible and that the rehabilitation programme should be diversified as much as possible. We would also look to provide a system of seamless transition from pre-rehabilitation to rehabilitation to aftercare. Moreover, we would further focus on employment for recovering addicts in the form of supported internships and increasing aftercare services.

Yes, Mr Speaker, we need to put an end to the cliché 'war on drugs' with a balanced, measured and sensible approach that would see law enforcement officers work with drug support workers. I also advocate tougher sentences for importers and distributors of drugs. It is unfair for anyone to suggest that we lack vision, leadership or conviction when we have set out our deeply consulted policy months ago.

We have done our homework and reached out extensively culminating in a published approach which is based on education, support and care with the default position in law remaining illegal where law enforcement officers will continue to be the first point of reference in order to assess the breach, before taking the matter to the courts for large quantities or referring persons to drug support workers, for personal use. Essentially, a new approach which would see law enforcement officers work with drug support workers in order to achieve the best results for our future.

It is important not just as a politician but as a parent to ensure we all understand, especially our youth, that serious actions have serious consequences and to mitigate those consequences it is going to require willpower and commitment. I welcome the announcement from the Minister for Justice with regard to the introduction of the new drug counselling service for persons in prison, together with mandatory drug testing programmes in coming months.

Mr Speaker, turning to the medicinal cannabis and exportation project, our concern in this area is that Gibraltar simply cannot harvest enough cannabis to sustain the local market, let alone export. We would therefore like clarification as to how this would actually work and whether there is an element of importation before packaging and exportation linked to the process, or how is it that the proposal is intended to work.

With regard to the prescription of unlicensed medicinal products the GSD's position remains that these decisions should lie with the clinicians and structured within a well-regulated system of medicinal products – as such, since the Drugs Advisory Council in the UK recommended the parameters and framework moving forward, the GSD immediately took heed and advocated for Gibraltar to follow suit, based on the professional advice.

The GSD is of the opinion that products recommended by leading clinicians should be made available to alleviate the suffering of specific patients who are identified by doctors to fall within the category of persons who could benefit from such products via the GPMS prescription service.

Mr Speaker, I now turn to another area of my responsibility, that of supported employment.

I often meet adults who are unable to obtain employment and this leads them to seek political solutions to their employment crisis. These individuals already feel socially marginalised due to their mental health issues; disabilities; criminal history; and/or drug or alcohol addictions.

920 Nevertheless, as a compassionate society, we should be empowering these persons with chances and opportunities, giving them the tools and a fair platform to improve their lives as individuals in an integrated manner. Instead, Mr Speaker, all they get is a row of shut doors.

It makes complete sense from a political perspective, as well as from an employer's point of view, as to why setting up a supported internship programme in Gibraltar will work. A properly
925 implemented policy will stimulate employment, get people into the right employment and genuinely assist those who are struggling in this regard. The vision is not a complicated one to visualise. The Minister with responsibility for supported employment asked me during the last Question and Answer session for ideas which could improve this area and I am more than happy to share this with him: firstly, we must offer employers and associated staff the continuous
930 support and structure to deal with challenges they may have to overcome in order to provide the necessary assurances to all parties involved.

Secondly, by officially launching the Gibraltar Supported Internship Programme this would allow employers to boast their accredited status as an inclusive employer, sharing with the community and their business clientele their participation in a worthy internship programme as
935 well as inspiring other employers to sign up too.

Finally, the benefits for the intern are fantastic: the boost in confidence and the social inclusion and motivation will manifest in happier, contributing individuals with relevant associated health benefits in certain cases.

There is no need to reinvent the wheel, the European Union for Supported Employment
940 already has underpinning values and principles to assist us as policymakers in how to develop our own policy. But nothing can happen if we do not invest in this project and establish a dedicated team of professionals and clear criteria for the team to work on. There is an important demographic in our community who must be listened to. Their issues may not be headline-grabbing or fashionable, which is why we have a greater duty to bring their needs to the fore.

945 We must focus on the real issues affecting people day to day and less on playing to the apparent masses. The electoral calculation of vote catching must be parked – permanently. We have many seminars in lavish locations, but no one is tackling a proper system to support the most vulnerable in our community. Why is the Government clearly pussy-footing on this issue?

In the words of Elvis Presley himself, Mr Speaker: 'a little less conversation, a little more action, please'. *(Laughter)* **(A Member: Very good!)**
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Mr Speaker, I now turn to E-Government and the idea of having a fully fledged digital public service is one that really excites me. It is regrettable that we have lost the thrust in particular on technological advances over the last 10 years and the increase in persons having access to the internet too. More lamentable is the delay in not delivering e-services as initially roadmapped by
955 the IT&LD by 2015 and, particularly with Brexit in mind, we should be increasing efficiency and strengthening our public service digital block. I look forward to the coming measures that the Minister for E-Services has announced during the summer

The Government have so far spent £2.1 million on e-services and I would be grateful for clarification as to whether this expenditure figure has now been exceeded and what the total contracted services for the provision of e-services are expected to be? The Government claims they have procured this through proper and fair processes. However, the Principal Auditor has highlighted in a value-for-money audit the disaster that was the contract between the Government and Maverick costing the taxpayer £1.83 million, not related to e-services but it is related to rebranding and internet services; and also, Mr Speaker, it highlighted an expenditure
960 to the tune of £662,000 with ElitAd Internet Limited and Elitechlab UK Limited. In his report the Principal Auditor highlights amongst other concerns: a) poor procurement, as it by-passed
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national procurement tender regulations; b) a lack of consultation with Government's IT&LD; and c) potentially even breaching EU procurement thresholds.

970 It appears the Government has not learnt from their mistakes. That is, not to consult closely with the IT&LD, given their recent demonstration outside this House – clearly, they have been completely sidelined by this ministry, and I strongly believe it is vital to consult and build on the expertise from within.

975 Mr Speaker, I must also align myself with the concerns of the Principal Auditor regarding entertainment expenses claimed by LPS together with motor vehicle expenses and petrol. As concerning as this may be, it is symptomatic of the urgent need to bring actual Government-owned companies into the scrutiny of the Gibraltar Audit Office. It is a touch unfair to highlight these expenses as 'a drain on the public purse' whilst not being able to tackle wholly owned Government companies which are financed by the taxpayer.

980 And whilst on the subject of the good work done by the Principal Auditor and his team, when is the Government going to introduce legislation for the Gibraltar Audit Office to provide us with, and I quote: 'a more efficient audit office fully independent of Government' during the first year in office, as they committed to do in the 2011 election?

985 Where is the Bill, Mr Speaker? It seems like banning the importation of ivory is higher up on the Government's agenda. The need for the new legislation is evidenced by the fact that the Principal Auditor sent his latest report to this House in January this year, but we have only received it barely two weeks ago.

990 Last year during my Budget address I spoke about the allegations of bankruptcy thrown from the Opposition benches year on year to the Government of the day. I stand by what I said in that 'I sincerely trust no Gibraltarian would ever want to intentionally jeopardise the economic future of our nation, more so those who stand for election and have earned the trust and respect of the elected'

995 Therefore, I was happy to hear the Chief Minister say in this House late last year, and I quote: 'the allegation of purported or near-bankruptcy has been one thrown from the Opposition benches, whoever might have been the incumbent, to those on this side of the House, whoever might have been the incumbent, without even the shame of waiting for a year when people had changed chairs'.

1000 However, the lack of transparency and information regarding how we are expected to repay projects – for example, our schools – is regrettable. For example, Mr Speaker, in 2015-16 it was forecast that £4.8 million would be spent on the refurbishment of the St Bernard's School project at the old St Bernard's Hospital. It is reported by the Principal Auditor that this expenditure was transferred from the I&DF to a Government-owned company at the request of the Financial Secretary.

1005 Similarly, the Government received a payment of £13.9 million from the Government-owned company in respect of works previously paid from the I&DF. These are clear transactions to the benefit of Government which accumulates almost £19 million.

1010 The Government can argue that school refurbishments are linked to sale of property, either decommissioned former school buildings or new parking spaces, but this should not excuse the Government for not incorporating the revenue and expenditure of these projects through the estimates book.

1015 And, on the topic of schools, I must make reference to the unprioritised delivery of St Martin's School, promised to parents by May 2017 and only just recently seen works commencing recently. I am sure it will look great, but the fact that it has not been prioritised despite the flurry of projects the Government has embarked on and completed is regrettable.

1015 Additionally, I would be grateful if the Government could provide details regarding the Crown land sold for £50 million in 2015-16 given this created a substantial amount of revenue for the Government – and we have asked the Government before in this House. This amount is highlighted by the Principal Auditor and I think it is only right that we receive clarification as to what that transaction is.

Mr Speaker, I, as well as my colleagues on this side of the House have demonstrated Gibraltar is not as rosy as the Government would have you believe. Should you go into the online presentation of the Budget, you will simply find the costs of capital projects but no details as to how they will be funded or, more importantly, how they will be repaid by this community. The debate on our public finances should be one based on honesty. As projects go up, we should know how they are being paid and how they are going to be serviced in the future. There has to be a recalibration in the way politicians deliver projects.

If you spend £95 million on a new energy plant, levy the relevant revenue source to cover that expenditure, let's not pretend electricity prices do not have to go up and the Government should continue to subsidise consumption to the extent that it does. If not just from the environmental angle but from a fiscal angle too, be clear with people of what is expected from them in return. That is the GSD way of doing things: there was no fear as to whether our public spending was too high, we had every faith in the hands of Sir Peter Caruana. *(Interjections)*

If you are going to boast about ideas and obtaining value for money, do not spend £40 million on cladding for a facelift on buildings built more than 50 years ago when you know you can build better quality homes for the fraction of a price. Let's have a long-term vision in how we do things and develop our land for the next generations.

I have tried to be as balanced as possible in delivering my address, praising the Government where credit is due and holding them to account and highlighting flaws and areas where, quite frankly, more needs to be done and where things could have been done better. But one thing is certain, Mr Speaker, despite our political differences, despite the diatribe at times in this House, I know that we have more that unites us than divides us.

Mr Speaker, I would like to thank you, the Clerk and his team for the hard work they do, and wish you all the very best in preparing for the next general election.

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

The Speaker: The Hon. Steven Linares.

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): Mr Speaker, this is my 20th Budget speech (**Several Members:** Hear, hear!) *(Banging on desks) (Interjections)* (**A Member:** Twenty more, 20 more!) and eighth on this side, *(Banging on desks) (Interjections)* and many more to come!

Minister for Health, Care and Justice (Hon. N F Costa): Sixteen more, 16 more!

Mr Speaker: The Godfather of the House. *(Laughter and interjections) (Banging on desks)*

Hon. N F Costa: Brilliant!

Hon. S E Linares: Mr Speaker, what an honour!

Well, Mr Speaker, I start my speech by giving a synopsis of what has been achieved over the last year and some of the things we intend to do this coming year in relation to my areas of responsibility as the Minister for Culture, the Media, Youth and Sport. I will start with my responsibility for Culture.

In last year's Budget speech I announced that the Government remains firmly committed to the development of Culture locally and to exporting our arts at an international level. I am delighted to confirm that, in line with this policy, Gibraltar Cultural Services (GCS), on behalf of the Ministry for Culture established a Cultural Development Unit in November 2018. It saw the employment of a full-time Cultural Development and Educational Officer. The Unit has already been instrumental in introducing training programmes for cultural officials, groups, coaches, performers, administrators and others involved in the cultural field.

1070 It supports educational establishments, the Youth Service and other stakeholders. It is developing generic cultural educational programmes; it is promoting our art galleries and our public library, amongst other duties. The Unit has been very proactive and has managed to organise art, drama, music, photographic, poetry/creative writing and social media workshops and courses.

1075 This has happened in conjunction with different societies, groups and companies such as the Photographic Society, the White Light Theatre, Wright Tech, and many more. The unit has been instrumental in also organising a theatre lighting and sound three-day course allowing young people to explore the processes and techniques involved in creating lighting for stage. The Development Unit introduced an Art Treasure Hunt that will be part of this year's Summer Sports and Leisure Programme with guides taking groups around. They worked on the second Youth Arts Jamboree. Therefore the Development Unit has proved to be a great move and a total success story.

1085 Mr Speaker, this year we will see the launch of the Gibraltar Cultural Services Cultural Awards to celebrate the best of Gibraltar's Arts and Culture. This will take a similar form to the GBC Sports Awards. It will be an event that will recognise the potential, ability, talent and achievements for individual or collective excellence in our cultural community. The Awards will also support our community's cultural development. The first Cultural Awards will be celebrated on the Thursday, 5th December 2019.

1090 GCS on behalf of the Ministry of Culture have organised a great number of events which range from: a Cultural Art Exchange held in January at *Palacio de la Diputación Provincial de Cadiz*; the project 'Easterly Winds' saw 17 local artists presenting their works there. It was led and curated by Magda Bellotti with GCS overseeing it. The next Phase will be in 2020 when artists from Cadiz will exhibit here in the Gustavo Bacarisas Gallery.

1095 The Gibraltar-Berlin Art Residency project took place for a third year, in July 2018. This saw a Gibraltar artist taking up an art residency in Berlin and a Berlin artist doing a residency in Gibraltar. A book and exhibition of the residency was launched in October 2018 at the John Mackintosh Hall.

1100 We continue to support the participation of local artists in competitions and exhibitions abroad. Examples of this policy in action are: the Royal Academy Summer Exhibition; Paul Cosquiere and Karl Ullger at the Lloyds EC3; and the Edinburgh Art Fair event, to name but a few.

In autumn we are organising a cultural art exchange together with the JM Memorial Foundation. This is the first phase of the project that will see artists from Tangier coming to Gibraltar to exhibit their work. All the above gives effect to our strategy of exporting our culture to the world.

1105 Mr Speaker, this year GCS have introduced a number of new initiatives with a view to market and promote our art galleries. Working with the Tourist Board via their Visitgibraltar.gi website, the galleries are advertised on a weekly basis using different images. The galleries have also been promoted via social media. We have also trained freelance walking tour guides, so they are now able to include the galleries as part of their tours itinerary.

1110 A rededication and Open Day at the GEMA Gallery and presenting to the public a new exhibition of works, with artworks belonging to the Government's Art Collection are examples of further promotion. We have also opened up one of the vaults at GEMA to local artists and groups, with a number of successful exhibitions already organised to date. More monthly exhibitions are planned for the rest of the year.

1115 GCS has been busy organising World Book Day; the second Youth Open Day in conjunction with the Youth Service; the second Artisans Christmas Market at Line Wall Road Boulevard, with the Tourist Board; the Literary Festival; the Street Art Murals with the Ministry for the Environment; the Three Kings' Cavalcade; and the fifth edition of Gibraltar Talks.

1120 GCS, on behalf of the Ministry, is also running the usual programmes and festivals that are organised on an annual basis. This includes the Spring Festival; Shakespeare for Kids; the Autumn Programme; the Gibraltar Fair and national celebrations; the New Year's celebrations;

the international art competition; literary and poetry competitions; May Day; the Drama Festival; the Christmas Festival of Lights; and classical concerts among many others.

1125 An important part of the work that GCS has done now for a number of years; together with many other Departments; including my own Department for Youth is the updating of the Cultural Organisation's Register. This is in keeping with Child Protection policy as directed by the Child Protection Committee. In the last six months they have ensured that all of the groups have completed or signed up to one of the Safeguarding Children Tier 1 courses and they have processed new groups and are ensuring members are vetted accordingly.

1130 We are currently working on an information booklet to inform all cultural organisations as to how they can formally register locally. I will say more about this later given that this format is replicated in my responsibilities for Sports and Youth.

1135 Mr Speaker, GCS has been leading on the cultural programme for the Island Games. This involves the organisation of the following: a major Retrospective Exhibition jointly with the *Gibraltar Chronicle* to celebrate Gibraltar's participation at the Island Games from 1985 to 2017, which will be launched on Tuesday, 18th June 2019 and will run until after the Island Games on Saturday, 13th July; an Island Games Art Residency that will be held in Gibraltar from 23rd June to 6th July – this is organised together with Kitchen Studios, culminating in an exhibition at the John Mackintosh Hall launching on Thursday, 4th July 2019, and multidisciplinary artists from numerous participating islands will be involved, working together with local artists in a variety of workshops and events; Supporting the Island Games Committee with the Games Opening Ceremony; the annual Gastronomy Festival, Calentita will kick-start two weeks of events at Casemates Square on Friday 5th July – Casemates will be known as 'Games Square' where Summer Nights will be held daily from 6th to 13th July 2019 respectively, and this will also include some of the Games medal ceremonies; and organising a tree-planting ceremony during the Games on Wednesday, 10th July 2019.

1140 GCS as part of its contract with the Ministry for Culture has undertaken works to all its major assets. Many of the rooms at the John Mackintosh Hall have been refurbished and new roofing has also been provided above the changing rooms.

1150 The Inces Hall has had the auditorium, entrance lobby, staircase, backstage and corridors painted and a new air-conditioning unit has been installed. Other minor areas have also been refurbished.

1155 GEMA, the Gustavo Bacarisa Gallery, and many premises occupied by clubs and associations have been refurbished, repaired and painted. GCS has also acquired a number of new artworks which will be added to the Ministry of Culture art collection.

1160 Mr Speaker, I move on to the Gibraltar Academy for Music and the Performing Arts (GAMPA) and I welcome the hon. Member's positive remarks on GAMPA. It is right to remind everybody at this point that the idea of setting up an Academy was a manifesto commitment of this GSLP/Liberal Government. (A Member: Hear, hear.) The Academy continues to be a success story, and in fact over the last four years GAMPA was so successful that it had outgrown their premises! In September, we moved GAMPA to new premises at 7 Hospital Hill.

1165 Extensive works were undertaken in order to modify the premises to their requirements. This building has 12 classrooms of different sizes as well as storage facilities, a homework room, a boardroom, waiting areas and a reception area. GAMPA currently has over 350 students involved in tuition, both in one-to-one and in group classes.

1170 Mr Speaker, I am happy to say that GAMPA's old premises at 63 Flat Bastion Road have been transformed into a Studio Theatre. The drama fraternity had long been asking for more space and room to be able to stage small productions. GAMPA has been able to provide an atmospheric venue for small performances by converting the magazine at 63 Flat Bastion Road. The new use has fully respected the heritage of the site. It is yet another example of the Government tastefully converting a heritage building to a modern use. It will be known as the Magazine Studio Theatre. Works for this were funded by GAMPA through profits made over the past year.

1175 The Magazine Studio Theatre is kitted out with a 10 m² stage and a light and sound rig as well as a dressing room and waiting/bar area. GAMPa also purchased a vintage grand piano to be used to entertain the waiting audience. Both of these premises are used daily. Percussion classes and exams are all held at the Magazine Studio theatre which also stages performances every four weeks. This includes both plays open to the public and private recitals.

1180 Mr Speaker, this year GAMPa took on a Gibraltar-wide programme called 'I Am Me'. They toured all the schools giving self-esteem and character-building workshops. They also held choir workshops with all school choirs and recorded the 'I Am Me' song, featuring all local schools choirs as well as recording a video of the song. The aim of this programme is to promote a positive message of togetherness and it also worked as an anti-bullying campaign. It was a way to reach the younger generations and promote their wellbeing through a positive message.

1185 During 2018 GAMPa have been involved in a great number of performances and initiatives, such as: offering drama therapy classes for eight weeks for students with special learning needs and challenges; the Gibraltar Youth Choir which represented Gibraltar at the World Choir Games in Tshwane, South Africa, obtaining third place in the Pop Ensemble; acting students taking part in the Shakespeare for Kids workshops organised by UK-based company and GCS; a Technical Theatre course offered to acting students by GCS technician, Mark Cortes, at the Magazine Studio Theatre; workshops for instrumentalists in collaboration with the Philharmonic Society; Reena Nagrani participating in the Elena Cobb winners' concert at the Royal Albert Hall in London; 'Kids Rock ... The Concert', this is the annual Parasol Foundation sponsored end-of-term show held at the John Mackintosh Hall Theatre, featuring over 200 students from the academy.

1195 These are just a few of the many events that they have organised alone or together with other groups.

Mr Speaker, GAMPa continued to work very closely with the Parasol Foundation in order to develop the Parasol Foundation Scholarship Programme. The scholarships awarded are for: Students who show a high level of skill or have the potential to excel; Beginners who showed potential and have achieved considerable progress in a short space of time; Students in financial hardship. And the ensemble which is open to all students of the Academy in order to be able develop a Youth Orchestra, which is another of our manifesto commitments.

GAMPa is very proud in continuing to offer examination opportunities to students who choose to study both classical and rock and pop music as well as in acting and drama.

1205 Mr Speaker, our Annual Mega Concert, now 'Gibraltar Calling', goes from strength to strength. This was one of our manifesto commitments. It has become an event that has excellent international appeal. Every year we see how people flock to Gibraltar to enjoy the two-day festival of music. Our visitors come mainly from the UK. It is great for our economy.

1210 Mr Speaker, the hon. Member, Mr Clinton again mentioned the 'magnificent Gibraltar Calling' and said that to date we have spent in the region of £11 million, but as per usual from him he forgets about how much direct revenue comes to GOG which is about £5 million. During the years it has been running, the value of the festival in bringing people to Gibraltar is ignored by the hon. Member and the value of the exposure we get abroad is also ignored. Just as a conservative estimate, the value bringing people is approximately £200,000 for every concert we have had – i.e. eight concerts which then equates to £1.6 million. The values of the exposure is approximately half a million per concert which is x8, £4 million. So together it adds up to £5.6 million.

1220 Further, the fact that hotels, restaurants, shops, etc. are employing more people and paying more taxes and social insurance. In fact it was relevant to hear the Chief Minister and my colleague Minister Licudi report to this House that all tourism statistics were *up* and that hotel occupancy is *up*.

Mr Speaker, event-led tourism works. We see how artists and bands use social media to announce that they are coming to Gibraltar. This generates even more publicity to Gibraltar. As an example, Stormzy, on Twitter has 1.1 million followers and last year he tweeted he was

1225 coming here, using the word 'Gibraltar'. Rita Ora has 6.8 million followers and she too mentioned Gibraltar.

I would like to read a short email that was forwarded to me to make precisely this point. The email is from a journalist to the organisers: 'Hi Richard. Hope you are well today. I received Suzie's OOO so I wondered if you could facilitate linking us with someone that works in Tourism
1230 PR for Gibraltar. *Mirror Online* would like to run a piece on Gibraltar as a great weekend destination – tagging in Gibraltar Calling – but we need to provide them with a breakdown of latest hottest restaurants, places to visit/stay etc. Deadline copy 14th Aug (but I would like info by Monday 13th). Would it be possible for you to connect us with someone that can give us this information? Thank you! Polly.'

1235 This free publicity is worth hundreds of thousands of pounds which we would otherwise have to spend in marketing Gibraltar. And to boot, it is a festival that nearly everyone in Gibraltar enjoys. So the benefit of continuing 'Gibraltar Calling' is *huge* and therefore we will continue to do so.

I now turn to my responsibilities regarding the Media. I am pleased to report that
1240 construction of GBC's brand-new media centre at South Jumper's Bastion is now well underway.

The building's steel frame has now been virtually completed, with internal works proceeding well too. Technical fit-out is now due to start this coming February, with GBC Television and Radio Gibraltar expected to start live transmissions from the new venue next summer. The Government is very much looking forward to our national broadcaster finally being able to
1245 operate from purpose-built facilities that will also provide a much more pleasant working environment for GBC's employees.

The relocation project continues to be the priority this year for GBC's management team, who are liaising with expert consultants and service providers on how to extract the highest possible benefit from the new building. The project has its challenges, as it is preserving the
1250 heritage value of the site while incorporating the new build. It is being designed with an efficient use of all available space.

The new Broadcasting House will provide an excellent facility for our national broadcaster. While it is being constructed, the life of the current building is being stretched to ensure television and radio programming can continue in the interim. Investment continues on
1255 electronic systems that will be relocated next year to South Jumper's Bastion, while other 'end of life' systems are being carefully maintained by GBC's engineers to avoid duplication in costs, before being decommissioned. Moving a television and radio station is logistically complex, when one of the main considerations has to be at minimal disruption to the programming. Despite that, plans are well in hand to relocate the facilities in 2020.

1260 The past 12 months have seen the expansion of radio services, with the introduction of an alternative schedule overnight on Radio Gibraltar Plus, which now carries up to 14 hours a day of additional programming, providing a wider choice for listeners. This has been achieved by maximising technology and reorganising assets always having in mind value for money.

Radio Gibraltar has and will continue to ensure that it is always a big part of our community
1265 with a strong schedule of programmes that are both informative and entertaining, with a high level of listener interaction. It achieves this by staging roadshows at events throughout the year and thereby living and breathing Gibraltar through the airwaves.

The selection of TV programmes offered nowadays by GBC is a far cry from those that were on our screens just a few years ago. Since 2013, this Government has provided GBC with the
1270 much-needed additional resources for them to improve the variety and quality of both its local and international programmes. The past 12 months are a testament to this, with the number of television programmes produced increasing. Now we can see *Viewpoint*, *The Hub*, *City Pulse*, *The Powder Room* and *The Sports Locker* and they have become the main stay of the studio-based shows.

1275 Other new and returning series included are *In Their Footsteps*, *Fortress of Fortresses* and *Working with History*, all of which focus on Gibraltar's rich history. There are too many

programmes to list, but it is worth mentioning the many outside broadcasts and Christmas and Easter Specials that are also produced, as well as the live UEFA Nations League and European Qualifier games, and the very successful GBC Sports Awards celebrating the achievements of our many sports men and women. Being the Minister for the Media *and* Sport the event could not be more fitting in the context of this overview of my Ministry's activities, for which I am delighted that the Awards are now a firm fixture of both the broadcasting and sports calendars.

Gibraltar's vibrant economy, the local political scene, a busier-than-ever social calendar, as well as the ongoing Brexit story, means that GBC's team of journalists have been working at maximum pace to keep Gibraltar informed. GBC has total and absolute freedom of impartiality and that is what is to be expected from a public service broadcaster when it delivers news reports to the consumer via the traditional means of radio and television, as well as through the corporation's very active social media and online platforms.

Mr Speaker, one of the biggest successes for GBC is its long-standing charitable arm, the Open Day Charitable Trust. The community fundraises throughout the year, with all of it coming together on the second Wednesday of December when marathon radio and television shows are staged. The event very much brings everyone together just ahead of the festive season.

This year the all-time fundraising record was broken with a huge £165,000 collected for local worthy causes. The Trust provides funding for specific projects nominated by locally registered charities. The more recent one is that of a £75,000 First Aid unit for St John Ambulance. The Trust has also donated £50,000 to the Society for Cancer Relief and £17,000 for the funding of numerous fitness activities for the elderly organised by the Physical Activities Association for Mature Older Adults among several other donations.

Mr Speaker, there are not many countries, if any, our size that have the benefit of having its own national television and radio service. It says much about Gibraltar as a mature society, while providing a sense of nationhood. GBC has currently 80 proud professionals at all levels who give their all to ensure the corporation delivers the best service, including television and radio programmes, online content and daily news coverage. Work on programming for the next 12 months is already very much in production. This will include coverage of next month's Gibraltar Island Games, more live international football, a new series of *Inspired by ...* that travels to India, this time to focus on Gibraltar's Hindu community, and a second series of *A Life Abroad*, among many others.

Broadcasting in Gibraltar is moving forward, with radio, television and online services into the future as a result of the investment into the sector being made by this GSLP/Liberal administration.

As Minister for the Media I am happy to say that there are now a number of *other* private broadcasting entities in the market. YGTV is running a good service with its online services. Rock Radio has recently gone on air offering listeners music geared for the young, but also for the not-so-young.

Our traditional two daily newspapers the *Gibraltar Chronicle* and the *Panorama* keep us very much informed of all that is current through the traditional print format. They are also available on social media and online platforms. We also have a number of magazines in the market covering social, cultural and musical events. This shows that we enjoy a wide variety of events in our social calendar which are then reported upon and recorded by the media in general.

Mr Speaker, the Gibraltar Youth Service continues to open its doors, and have created and developed programmes that have reached to more young people. It is great to see our Community Youth Workers developing programmes designed for youngsters to acquire life skills and at the same time doing all kinds of community and charity work.

These programmes are: the 'Insight Project' which aims to increase the awareness of young people about the employment and career paths that are available to them. The Gibraltar Youth Service has been reaching out to Government Departments and local businesses in order to facilitate an insight experience for young people on what it might be like to work in these places.

1330 'The Zone' started in September 2018 and it provides a safe place for young people during lunchtimes where they can have a healthy meal prepared by young people who are gaining experience in the catering business and have undertaken health and hygiene courses. This is open on Tuesdays, Wednesdays and Thursdays.

1335 And here, Mr Speaker, I would like to inform the hon. Member, Mr Llamas, that this programme is geared towards what the young people eat – he commented about how young people are now eating different things. Well, this programme is specifically to try and educate and inform what is good to eat or not. I may add as well that with the advent of what is happening with the environment there are many young people who are now opting to be vegans and to change their lifestyle so we should take an example of that, and I agree with him on that. (A Member: Hear, hear.) Because they are giving us a lesson on how we should look after the environment and be healthy at the same time. (A Member: Hear, hear.)

1340 This programme, the Zone, on Tuesdays also continues in the afternoon and it is further extended to young people who are not in education, employment or training. It is also open for anyone who requires additional support with employment and life skills.

1345 'The Mingle' is a programme that the Youth Service, together with the Care Agency and the Department of Education have recently embarked upon. This is a new community initiative with young adults up to the age of 30 years who have or experience mild learning difficulties. This has increased the joined-up approach amongst organisations that come into contact with vulnerable adults.

Again, he mentioned about people not having support and not having the backing when they are unemployed, support employment and all that. This programme is actually tackling that.

1350 The project is in its infancy and the Youth Service are very excited about its potential.

1355 Joyful Riot – this started October 2018 as an inclusive community choir initiative where people of all ages are welcome to attend. Performances have taken place at St Theresa's Church during Christmas; also as a road show to various adult services including St Bernadette's, the Elderly Residential Services, Clubhouse and the Community Day Care Centre for Adults. The power of music increases social fulfilment, boosts confidence and reduces anxiety and stress levels.

1360 For this, I would like to also congratulate the young people, because they do get in contact with the older generation, and it is great to see how they can interact one with the other. This is another programme that is introduced by the GSLP Government and this is another programme that the Youth Service, I am happy to say, are working on really well.

#sitforcalpehouse – this started in April and saw many people and groups take pictures on a throne and donate the proceeds to Calpe House. Most of the Members of this Parliament have done so. Currently the throne is on tour, continuing to raise funds for Calpe House.

1365 In partnership with 'Sams' and Gibraltar Dyslexia Support Group, two videos were filmed and edited by GYPT to raise awareness of mental health issues and dyslexia. Again another example that we are concerned and we do take seriously issues like mental health.

1370 Mr Speaker, as we have seen recently, young people are very keen to make a statement about climate change. 'Going Green' is yet another project which the Gibraltar Youth Service has introduced. The objective is to reduce their environmental impact in the office and in the youth clubs. Establishing gardening projects, recycling all goods and using these items in their arts and craft sessions are some of the practical effects. They have upholstered all their sofas instead of purchasing new ones. They have sourced eco-friendly cleaning products and continue to recycle their waste. They do not purchase single-use plastic cups and encourage their employees and club members to bring their reusable drink bottles.

1375 They participate annually in the 'Clean up the World' campaign. They are also working with Island Games in designing and creating sea model creatures from recycled goods – 'Clean Seas, Our Future'. These will be exhibited at the youth clubs during the week of the 6th to 12th July, during the Island Games.

1380 What was known as the Gibraltar Youth Council has now changed its name to the Voice of
Young People (VYP). This group was formed in order for them to highlight issues which concern
young people. To date, they have created a young person's local directory which features health,
leisure, education, general advice and other support services that young people can use at any
given time.

1385 They also prepared a questionnaire for teenagers. This was completed by 1,302 young
people. The aim was to find out what issues they are facing today. Bullying, mental health, drugs
and underage drinking were the top four.

The VYP group are already working to address these issues and have already met with the
Chief Minister. In these meetings they informed the Chief Minister of the work they were doing
and how they intended to progress. They have also met with Minister Cortes and officials from
1390 the Department of Education to see how bullying was being tackled and to influence current
policy.

They have also been instrumental in highlighting the issue of teenage mental health. To this
end they have seen how the Health Service is dealing with it and learnt how there will be a
health councillor soon in the schools to be able to deal with these issues at an early stage. They
1395 will be meeting soon with the RGP to highlight the issue of drugs and underage drinking which
was a concern high on their agenda. All in all, this group has been very proactive and the youth
service will continue to work with them to highlight the priorities of young people.

Youth Day 2019 was a joint event with Gibraltar Cultural Services. This year a Youth Day
committee was formed comprising young people representing various youth organisations. The
1400 committee had the opportunity to debate and decide on all matters concerning Youth Day. Their
responsibilities for delivering Youth Day ranged from choosing a date and the venue, to email
administration, promotion of the event and working during the event itself. The experience the
organisers have gained was immense and will serve them well in the future.

1405 Bikeability is a partnership programme with the Ministry of Transport. One of our youth and
community workers will be training professionally in the UK to teach cycling skills to adults and
children.

Lastly I would like to mention the participation of the Youth Service on our January 2019
Cavalcade Float. This year their float supported and promoted the Island Games.

1410 The Youth Service continues to participate in further professional development. For example,
Managing Challenging Behaviour is a course that the staff have recently attended. The Youth
Service is now a vibrant proactive service which continues to form part and contribute to various
multi-agency forums. They are represented on the Child Protection Committee and Sub-Training
Committee, the Drugs Advisory Council, the Youth Advisory Council and the Children Healthy
and Active Multi-agency Programme (CHAMP) initiative.

1415 The Laguna Youth Club, Dolphin's Youth Club and the Plater Youth Club continue to open
their doors to a younger age group of children aged 7 to 14. They have developed a debating
project. This is a fun way for young people to research, learn, develop their knowledge and most
importantly to be confident when speaking in front of an audience. They have been developing
their employability and problem solving skills through the planning and fundraising of an
1420 educational trip to Poland, which will include a visit to Auschwitz.

As a result of the success of the work done by the youth clubs, and the increase in numbers
coming in to the clubs, more support workers have been called in for these sessions. The Youth
Service is now well positioned to continue with the great work they do for young people going
forward into the future.

1425 Mr Speaker, I will now move to my responsibility as the Minister for Sport and Leisure, and I
will start with the King's Bastion Leisure Centre.

In the King's Bastion Leisure Centre, there have been a number of major projects carried out
during the last year. One of these projects involved the installation of the Funcard System. This
system has replaced the POS stations at the Bowling Alley, Ice Rink, Fitness Gym and Reception.
1430 This meant the installation of card-issuing kiosks in the Bowling and Fitness Gym areas and the

addition of card readers to each of our 60 arcade machines, with extensive cabling required throughout the Centre to connect all the equipment to the servers.

With this Funcard system, users are able to put money onto the card which they can then use for any of the activities in the Leisure Centre excluding the Cinema and Restaurant. The benefit to the Centre is that it removes the cumbersome task of cash handling, particularly the coins from the arcade. This potentially will result in an increase in revenue of about 15%, which will help to offset against the cost of installing the system.

All the wood panelling beneath the carpets in the right-hand cinema screen and in their kitchenette, which was suffering from severe dampness, was also replaced. New mirrors were installed in the fitness gym and one of the ice rink compressors in the chiller pit became faulty and also had to be replaced.

In the amusement arcade, three new games machines have been added. A thorough inspection of the ceiling of the bowling alley concluded that extensive refurbishment work had to be carried out ahead of its refurbishment.

The ice rink had been leaking for some time. These works meant the closure of the rink for a few months. Now this has been repaired, the Centre embarked on a principal project planned for this year. The previous bowling alley which was hailed as the state of the art when it opened in 2008, on the watch of the people on the other side, was actually a second-hand system which was already 15 years old before it was placed in the King's Bastion Leisure Centre. So much for value for money!

Therefore it was not in a fit state to bear the rigours of the Island Games taking place next month. I am happy to say that this has now been completely replaced by brand-new bowling lanes, a new scoring system and new mechanical equipment. This is now up and running and our bowlers have been able to train there in preparation for the games next month.

And since, Mr Speaker, I am on the item of the King's Bastion Leisure Centre, and the hon. Member mentioned about the cinema outside, which was a great success, which I totally agree with, there are already moves to see whether the other park that is being done can have a place where cinema shows can be done – and my hon. Friend confirms that, that there will be a place where a screen can be placed and shows of cinema can be done. So again, the GSLP Liberals delivering.

As hon. Members are very much aware, we will shortly be hosting the 18th Edition of the NatWest International Island Games. The opening ceremony is scheduled for 6th July and marks the start of what will be a week of great sporting competition. Gibraltar and the other 23 territories will battle it out for medals.

It will also be the culmination of four years of extremely hard work by a large cross-section of the community. Since the opportunity presented itself to host the Island Games whilst in Jersey in 2015, I have seen the local sporting fraternity pull together in a way only Gibraltarians can. The work undertaken by those involved in the Games, together with the assistance offered by many other sectors of the community, means that Gibraltar will no doubt host a truly memorable week.

I would like to place on record my personal thanks and that of the Government, to all those who have worked tirelessly to make the Games a success, many of whom have done so on a voluntary basis. I will not name them as there are too many to mention and I do not want to omit any individual or entity from the list.

We are now at a point where these Games are very much a reality and will be Gibraltar's biggest sporting event to date. The journey has not been an easy one; no one expected it to be. I think we need to be reminded that some 2,500 visitors will descend on the Rock for approximately ten days, with this figure including athletes, officials, team members and press to cover the Games. Images and reports of our country will be sent back to their respective islands. The importance of this positive exposure cannot be underestimated.

As I mentioned earlier, the Island Games will feature a full and varied cultural programme. I urge everyone to support the Games, by supporting Team Gibraltar at the different venues or by engaging with our visitors with our famous Gibraltarian hospitality.

1485 At this juncture I am pleased to announce that the Island Games expenditure will be in keeping with what was submitted in the original bid document. In the last financial year, recurrent expenditure under the Island Games sub-Head has been reconciled at £1,520,970 with revenue totalling £212,500.

For the coming financial year this expenditure, which should be finalised by September, is projected to amount to £894,475 with revenue projected at £1,304,500.

1490 When analysing both the expenditure and the revenue over both financial years, the net cost to HMGoG is £898,445. This is in fact less than the £1 million that was originally estimated, which is great news.

1495 The fact that the Games will result in visitors eating in local restaurants, staying in local hotels and spending in local shops whilst enjoying our tourist sites and everything else Gibraltar has to offer for a full ten days will bring approximately £3 million to the economy in general.

It is also important to remember that apart from the legacy that the Games will leave, the figures I have just quoted include expenditure in many other smaller but crucial legacy items that our sportspeople will be able to benefit from for a very long time.

1500 The Sandpits Lawn Tennis Club and the Multi-Use Games Area at the Bayside Sports Complex have benefitted from a resurfacing programme that will be at Bayside Sports Complex, in particular to be utilised by the community in general.

The spectator experience at the Tercentenary Sports Hall has been greatly improved by the installation of glass panels in the stands, making the entirety of the playing area visible irrespective of where you are seated.

1505 Willis's Magazine is currently undertaking a repair and refurbishment programme that will make it an iconic venue for the Pistol Shooting events during the Games and will make the chambers available for use in a controlled manner not only for the Gibraltar Pistol Association but to others also post the Games. These chambers were lying unused and after extensive consultation with all relevant stakeholders and with input from the Development and Planning Commission, the Heritage Trust, the Department for the Environment and others, they have been revived and will be re-used.

Over 200 bespoke barriers have been purchased for the road events, namely the cycling and the triathlon. These will be available for future sporting events and are an asset that will be used for other cultural events such as the Cavalcade.

1515 As a final point under this item, we must also consider all the equipment that our registered sports associations involved in the Games have received. This will help them develop their respective sports and contribute to raise standards when we compete at an international level.

1520 The hosting of the Island Games has been the main focus this year. However, Gibraltar has continued to organise and host numerous events, many of which form an integral part of the annual calendar of International Federations. The expenditure in this respect has totalled nearly £1.3 million. These international sporting events have real value in publicity terms. In this respect, they also: provide exposure on major sporting television networks during prime time slots, as is the case of the pool, darts and snooker events; fill local hotels during quiet off-peak periods of the year, as is done with the Chess Festival, which continues to grow in strength and reputation and is revered the world over; maintain our sporting fraternity active at an international level, with many of the organisational models employed locally now serving as templates for other host countries. It is worthwhile to continue to attract them to Gibraltar.

Event-led tourism has always been a policy of this GSLP/Liberal administration. And as I said before, it is working. The list I am about to provide is a testament to this.

1530 Over the last financial year, the Government has, via the GSLA, supported, been involved in or directly organised the: World Snooker Gibraltar Open; PDC Darts; World Pool Masters; International Chess; 8th International Junior Chess; European Backgammon Event – Mr Speaker,

on all these I have in my speech how much the value is of each of them, but I will not go through them; I will just state one which is the one that I use as an example of all the rest, and I tend to use that nearly every year, which is International Chess, which attracts 400 persons x 11 nights, which is 2,000 bed nights in Gibraltar. When you multiply that by at least £120, which is what people spend on average a night, including the hotel bed, one can work out how much the whole of the thing brings to our coffers.

Mr Speaker, there are the Gibraltar Squash Open; the Table Soccer World Cup –another great success, 400 people for 11 days as well. There are a lot more, Mr Speaker, but I will cut it short and say that the value to our economy of hosting all these events in Gibraltar is as follows:

All these events had a total of 15,225 bed nights; and an approximate extra, other smaller tournaments which are not in this list and equate to another 2,700 bed nights for tournaments mentioned ... Therefore the total of 17,925 bed nights.

For each bed night, it is now considered to be worth £120 per bed night, including general expenditure by visitor, being hotels, food, beverages, amenities, tourist attractions and shopping. The value to the economy is more than double the expenditure.

This does not include day visitors and all those who come to the events independently.

The GSLA has also assisted the Gibraltar Football Association with the hosting of the Champions League and Europa League qualifiers last summer. It has also been an integral part of ensuring that our National Team once again play official UEFA matches at the Victoria Stadium.

The Bayside Sports Complex, the Multi-Use Games Area, commonly known as the MUGA, is a hive of activity during good and dry weather but falls foul in inclement weather. We have therefore decided to convert it into a semi-rigid covered area. Works will start after the Games since the area has been prepared to host tennis matches during the Games.

Mr Speaker, sport plays a vital role in our society. We host many events, which take up time from local use of our existing facilities. All of our 42 registered sports associations have continued to organise and complete their respective seasons. It has been a testing year and I would like to thank those that have been affected for working so closely with the Ministry of Sport and the GSLA to try and maintain normality as much as reasonably possible.

Our sportspeople have understood the magnitude of the Island Games. More importantly they have seen the benefits of the new infrastructure projects that we will be providing. Their co-operation has been instrumental in allowing the Project Team and the GSLA to fulfil their responsibilities.

HMGOG financial support for the local sporting fraternity has been unwavering. We will continue to support our sportsmen and women. A total of £621,000 has been provided via the Gibraltar Sports Advisory Council.

Mr Speaker, the previous administration had budgeted in 2011 to spend a total of £516,000 on grants to sports associations, international competitions, sport development projects, and including the hosting of special sports and leisure events. We have currently budgeted for this year a total of £635,000 for grants to sporting associations, international competitions and sport development projects, excluding hosting of special sports and leisure events.

I repeat, *excluding* the hosting of special sports and leisure events.

The Hosting of Special Sports Events, which is shown in the Estimates Book as a separate item, is an additional £1 million. This shows that not only are we providing events which the community enjoys, as I mentioned above, but we are also investing in our sporting associations in order to host many events here in Gibraltar. This brings all the spin-off benefits to our economy as I have described earlier.

These events have only been possible after GSAC – which is made up of voluntary representatives voted for by the associations themselves – sifted through every single application and applied the set criteria. These individuals give up of their free time in what can become very long meetings and are a vital cog in Gibraltar's sporting machinery. My thanks to them also!

Mr Speaker, in order for these associations to receive financial or logistical support they have to meet certain criteria at the point of annual registration. As Members will be aware, this GSLP/Liberal administration set up the Child Protection Committee with representatives from the GSLA sitting on the executive committee as well as the various sub-committees. It was therefore logical that child protection policies and safeguarding criteria form an integral part of the registration process for sporting and leisure entities.

With this in mind, the GSLA's Sports Development Unit has rolled out an extensive training programme that has meant that in the last financial year 170 coaches and/or individuals who deal with children and young people have received safeguarding training delivered by the GSLA.

This leaves the total since November 2017 at over 350 if we add to this all those coaches who receive safeguarding training via their own sport-specific coach education. Huge strides have been taken in ensuring a safer environment for those involved in sport and leisure.

The period of grace for the submission of adequate child protection policies has also elapsed but I am very glad to report that the vast majority of the registered sports associations have already submitted finalised versions, whilst those that have not are working very closely with the GSLA to finalise them.

Whilst dealing with the participation of children in sport and leisure, I would now like to move onto the Summer Sports and Stay and Play programmes.

The Summer Sports and Leisure Programme 2018 once again improved on its previous year's attendance. 540 children were registered with the main arm of the programme, namely the Sports Train and Stay and Play programme. Amazingly, repeat attendances totalled over 10,000 units over six weeks – one unit is equal to one child attending one session.

The Sports Train offered sporting and leadership activities for 7-to-14-year olds every weekday morning. The Children's Corner offered appropriate sport and recreational activities three days a week for 5- and 6-year-olds.

The Family Evening Sessions noticed a marked improvement in attendance, with sessions attracting groups on average of 45 people and 90-plus on some occasions.

Mr Speaker, the Stay and Play programme offered sport, physical, arts and leisure activities for children with disabilities five days a 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 Care Agency was actively involved in the induction training programme for 2018 adding to the quality of delivery whilst safeguarding the interests of leaders and children alike. There was a need to call upon the services of MEDOC during the programme as the availability of those on the supply list did not meet the ratios for the service users attending.

Due to the hard work of those involved with the Stay and Play programme and its success, I am happy to announce that the purpose built premises at the boat house will be extended this financial year to accommodate the high demand of children attending. This is a far cry from the days before 2011 when the Stay and Play programme was conducted from a small unit in the boathouse.

The GSLA together with the Government Departments has provided 20 sport associations and leisure providers with a range of sport coaching courses and taster sessions for children and young people. Sports and Leisure is an extremely dynamic industry and the information I have provided shows that the Ministry for Sport and all its components are certainly in tune with what is required and are providing the community with the service, support and facilities that they require but most importantly deserve. Therefore it is only right to invest in Sports.

Last year in my Budget address I said that:

... never in the history of Gibraltar has a government invested so much time and effort in sporting projects than our GSLP/Liberal Government.

How true it is and we will be seeing the fruits of this investment in the coming weeks and months as we roll out the completion of the works. Therefore I will not now go over or mention all the new facilities we have built. I will allow the general public to judge for themselves.

1635 Last year, I also asked the people to be patient in the final year before the Games. I would like to thank the whole of the population for allowing us to work for you.

Thanks also go to the Sporting Associations who have endured disruption to their training schedules or venues. It is an honour to have been able to deliver facilities which will be there for many years to come.

1640 Many of the events that were mentioned above will once again be part of our calendar. Given that Gibraltar is now enjoying new and improved sporting facilities, we are actively working to try and attract more international events to Gibraltar. Each option is being studied with value for money and international exposure in mind. These are the main criteria that must be fulfilled before contracts are signed or commitments are given. The new facilities will allow us to develop our sports industry, and the sky is the limit, Mr Speaker. With our wonderful facilities
1645 we will be in a position to attract clubs, schools, and national teams of all levels coming to Gibraltar to compete with our athletes and/or to do their training routine.

Therefore the Government will be encouraging our sporting fraternity to host more international events. We have seen how our hotels fill up. It is good to see new hotel projects going up and increased capacity to Gibraltar by air. This is a reflection of the exposure that
1650 Gibraltar has received.

It is also the result of working closely with the Tourist Board who also market our events abroad. The plethora of new sporting venues will be worth every penny spent. (A Member: Hear, hear.) More venues will also mean that local competitions and development programmes will be able to continue with hardly any disruption, if any at all. The GSLA will now have more
1655 options through the use of alternative facilities, instead of having to postpone or cancel league fixtures or training programmes.

All in all, a win-win situation which has only happened as a result of the GSLP/Liberal vision and our unprecedented investment in sports. This sports industry may well become another pillar of our economy and we will succeed, Brexit or no Brexit.

1660 Mr Speaker, I would like to close my address this year by saying thank you. (Several Members: Hear, hear!) Good – I am glad you are all listening! It is great to see that they are enjoying my speech and listening. Whilst the others were saying it, and everybody went out of the House – but never mind. Thank you for staying.

‘Thank you’ goes to the staff, at Gibraltar Cultural Services, at the Gibraltar Academy of Music and Performing Arts, at Leisure Management Services from the King’s Bastion Leisure Centre, at the Gibraltar Sports and Leisure Authority, at GBC and at the Youth Service.

I would like to thank all members of the Youth Advisory Council, the Voice of Young People, the Sports Advisory Council, all the cultural groups from the arts, drama, photographic and dance fraternities.

1670 I would like to thank, for their patience, all those who have been in any way affected by the works that have been taking place and to the general public who are or have endured any inconvenience such as road closures or diversions. I am convinced that they will understand the importance of the Games and that next month they will be even more understanding when the Games are actually on. Thank you for allowing us to work for you.

1675 Thank you also to all the members of the governing bodies of those sports who are and have been involved in delivering the state-of-the-art facilities which will leave a lasting legacy well after the Island Games have passed. I am extremely grateful to the Organising Committee of the Island Games, most of whom do this without any financial interest.

1680 However, I must single out one person for a special thank you and that person is Linda Alvarez. Linda’s leadership has been truly exemplary throughout the process.

To all the volunteers in the Committee and all those who have put their names down to be ambassadors of our proud country. The team at AKS and at Orfila’s that have and are producing

all the architectural and technical designs for all the sporting and cultural projects that I am involved in.

1685 Thanks to the contractors, Casais for the wonderful student accommodation they have completed on budget and on time; and to GJBS, all its workforce and all the workers from their sub-contractors who have worked round the clock.

Thanks to those at the Technical Services Department and to the Chief Technical Officer for their valuable input into these projects.

1690 Thanks to the Financial Secretary, who has given me direction related to funding; to LPS for their advice and guidance related to land issues.

Thanks to the all the essential services who have worked with the Organising Committee of the Games.

1695 Thanks to you and your staff at Parliament, Mr Speaker; and last and definitely not least, my staff at the Ministry of Culture, the Media, Youth and Sports at City Hall. Without them, I would not have been able to implement all the positive policies and manifesto commitments which I am involved in. They have definitely been my right hand.

Thank you to all.

1700 **Several Members:** Hear, hear. (*Banging on desks.*)

Mr Speaker: The Hon. Edwin Reyes.

1705 **Hon. E J Reyes:** Mr Speaker, this is my twelfth address to this House in what is known as the Budget Session and I wish to commence with sports-related matters by saying that I am a firm believer in unity, where possible, for the benefit of Gibraltar's greater interests. Therefore, Mr Speaker, I am glad to see that Government continues with the long existing policy to assist all local sporting bodies to overcome any foreign government's politically inspired attempts to block our membership of international sporting bodies. (**A Member:** Hear, hear.) (*Banging on desks*) The antics and shameful actions taken above all by our neighbours to the north are wearing even thinner as each year flies past and I pray that, slowly but surely, other international sports governing bodies will judge Gibraltar's applications on their own merit and not shamefully allow themselves to be coerced by our neighbour's unjustified and often unscrupulous arguments.

1715 Gibraltar's longstanding and cross-party policy of assisting sporting associations will certainly continue to receive the Opposition's wholehearted support and I sincerely wish sporting associations, for example Rugby amongst others, all the very best in their continuing battles to obtain their respective international memberships which are rightfully and legitimately theirs.

1720 Mr Speaker, the GSD Opposition wishes the Gibraltar Football Association all the very best in their ongoing refurbishment and upgrading of its own national stadium. It is particularly gratifying to see the Victoria Stadium almost full to capacity whenever our national team play a home game. The home venue, thereby using Victoria Stadium as our home ground, albeit with necessary upgrades undertaken, was the location first promoted by the GSD. It seems that where there is a will there is a way, and therefore the GSD has proved it was not wrong from the outset in choosing the Victoria Stadium as the best site for an UEFA and FIFA fully approved facility. It is indeed a far more viable and attractive option for local sports lovers to attend and support our teams who will be playing their qualifying home matches for the season 2019-20 in respect of the Europa League qualifications.

1725 I am sure this House is unanimous in wishing our teams participating within the Europa League all the best in their forthcoming games. Europa FC and Saint Joseph's FC have everything to play for in their imminent games in order to obtain qualification onto the next stage of the International European Competition, and I hope that stadium is full to capacity, as we know we can do.

We also wish the best of Gibraltarian luck to Lincoln Red Imps FC for their forthcoming Champions League qualifying game. Despite their game being played away from Gibraltar this year, I am certain football lovers will still be equally as proud and supportive of our national representatives.

Mr Speaker, the forthcoming developments at Victoria Stadium are resulting in an improvement to football facilities in Gibraltar. However, despite the fantastic and ambitious project to be undertaken by the GFA, there is still a great need for further training facilities if our future generations are to aspire to improving their overall standards. It continues to break my heart to see so many Gibraltar-registered football teams having to go over into Spain in order to train in preparation for local and international matches. *(Interjection)* Indeed, more facilities are very much needed if we are to continue to aspire progressing beyond the qualification stages in respect of European Champions League and the Europa League.

The GSD continues to believe that alongside the new facilities which will soon be enjoyed by the football fraternity, there is still a great need for extensive training facilities in Gibraltar to cater for participants in numerous sports. These facilities should ensure that the introduction and development of our youngsters into the world of sports, very often arising from our schools' curriculum and sporting clubs' commitments, are equally catered for. It is the duty of the Gibraltar Sports and Leisure Authority to make these facilities available for our general public at large who wish to participate in sporting activities.

The new facilities which are being constructed in connection with the Island Games should ensure to a certain extent that Gibraltar continues to produce worthy local athletes and develops their wide-ranging sporting talents. We often have results which make our neighbours and our sporting opponents in official competitions envious of our rather good and consistent results. I sincerely hope that the new constructions meet local requirements well beyond the Island Games themselves.

Indeed, many Gibraltarians are currently heavily involved in carefully planned training sessions with the aspirations of proudly representing Gibraltar at the 2019 Island Games, which will for the second time in the Games' history, be held in Gibraltar. I am sure I speak for the whole House as we offer our collective best wishes to all forthcoming participants who, through their committed efforts, will hopefully yet again make us proud of our sporting fraternity. *(Banging on desks)*

Mr Speaker, those new facilities which have been completed are so far looking good. However, it is a pity, that with less than four weeks to go some facilities are still not complete and ready for use. Their availability prior to the start of the Island Games would allow our local representatives to get better acquainted with the venues where they will compete.

Despite the justifiable pride which I hope Gibraltar will feel in hosting the 2019 Island Games, we must record a special mention in respect of the fantastic achievements attained by several sporting bodies throughout this past year. Unfortunately, CPA matters will require me to be away from Gibraltar during the earlier part of next week so, therefore, I wish to record my apologies for being absent at next week's Reception to be hosted by His Worship the Mayor, where he will be paying special tribute to the recent successes attained by our Netball representatives. Also being specially honoured at the Mayor's Reception will be our evergreen over-60s Football Team and the promising youngster, Sebastian Desoiza who participates within the tough competitive world of Golf. *(Banging on desks)* The age range of sportsmen and sportswomen being recognised by His Worship shows that in Gibraltar participation in sports is enjoyed by all irrespective of age.

Given recent results such as those I have highlighted together with many others – let's take, for example, the Special Olympics – it seems we have justifiable expectations for equally notable achievements for the forthcoming 2019-20 season.

Mr Speaker, with your leave, I would like to repeat the offer I made last year, as well as the year before that, during this Budget contribution. Although I am a firm believer that individual sports governing bodies should be allowed to manage their own affairs with no political

interference, I once again urge the Minister for Sports, more so in his capacity as Chairman of the Sports and Leisure Authority, to take a particular interest and take appropriate action 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 obligation for the Sports Authority to ensure that, where desired by a club or individual citizen, membership in their relevant local governing body is open to all in an equal and fair manner.

I yet again offer myself to sit down and discuss with the Minister for Sports possible avenues which may be looked into in order to set up a special independent body tasked with matters pertaining to and requiring arbitration related to local sports issues. Some disputes have been dragging on for far too long now and I am hopeful that by working together with all affected parties solutions can and should be found.

Mr Speaker, I wish to reaffirm my personal convictions that through the collective celebration of social events, participating Gibraltarians contribute towards reinforcing our identity, culture and history as a people and a community. Both the performing and fine arts fraternities have always proved themselves to be very proactive within their own specialised areas and I take this opportunity to congratulate all the groups and individuals who have done Gibraltar extremely proud through their international participations and, in very many cases, even gaining top awards. It is always a personal and collective pleasure to be able to say how proud we are of the international achievements of our fellow Gibraltarians.

Mr Speaker, during their last term in office, Government purchased both the Queen's Cinema and Queen's Hotel sites for the development of a theatre and related activities. There are somewhat mixed feelings amongst the local community as to how these sites will be developed and at what cost. Government announced through its 2015 Election Manifesto that a lot of progress on the design of the new Queen's National Theatre had been made in order to make the old Queen's Cinema a venue for touring productions. It went on to say that now that preliminary land use designs had been finalised they would continue to work with the committee of local drama experts to finalise the internal designs and facilities required, alongside exploring the possibility of commercial use of the theatre complex facilities. This year's Estimates show a provision of £1,000 under the Improvement of Development Fund Expenditure set aside under Head 102 – Projects, Subhead 4 entitled 'Theatre'. Could it be that the Theatre is yet another matter which still remains to be addressed shortly – whenever that 'shortly' may be?

In respect of the Queen's Cinema site, I sincerely hope that the development of this site will be real value for money and that our local culture, in the widest sense of the word, is enhanced. Local performers may often be heard to say that if we can afford £3½ million for a two-day Mega Concert, then surely our local performers, entertainers and audiences are entitled to ask for a theatre which is fit for purpose and available throughout for 365 days a year. (*Banging on desks*)

Mr Speaker, moving onto Educational matters, I wish to start by citing once again from a passage I have used before in this Chamber. It said:

Children must be able to play, study and grow in a peaceful environment. Woe to anyone who stifles their joyful impulse to hope!

With this in mind, Mr Speaker, I cannot stress enough the need to ensure we get it absolutely right when planning and building facilities which will serve our children's educational purposes in preparation for adult life.

Much has been said in respect of Government's projects for the re-provision and expansion of our school. For our pupils' benefit I sincerely hope that decisions taken have been based above all upon feedback received from the professionals in the field – namely, from school teachers themselves. Unfortunately during this past year, the Gibraltar Teachers' Association highlighted that they had at times felt ignored and not consulted on a number of educational reforms that the Department of Education had embarked upon.

We have been reassured that September 2019 will see the introduction of the final stage of coeducation across all schools in Gibraltar. There is no question that coeducation has been long overdue and I hope, for our children's sake, that the new buildings will be completed in time and to the highest of standards.

However, Mr Speaker, many parents, teachers and even ordinary citizens have expressed serious concerns about the expected inevitable high levels of congestion which seems to be coming round Waterport area in September. I sincerely hope there will be a sensible and workable traffic plan in place before the schools open this coming September.

Given that teachers have reinforced the need for, and importance of, vertical communication on the current and future reforms in education, I hope that their voices have been heard if the vision being acted upon by Government is to succeed. Again, I fully empathise with the teaching profession who on the issue of collocation feel a golden opportunity has been lost to explore different models within the constraints of the land available to achieve an optimum educational solution. Teachers feel that the issue is not just about what is being provided, but about what could have been provided had there been more meaningful consultation with classroom teachers themselves.

As both a teacher and a past president of the Gibraltar Teachers' Association, and someone who still has educational matters extremely close to his heart, I extend a recommendation to the Minister for Education to listen and continue to work as closely as possible with classroom teachers – albeit alongside his senior management teams. Classroom teachers want to be part of any process that changes our educational system and want to be involved in meaningful consultation before final decisions are taken. Surely the way forward proposed by these professionals can only but contribute to the wellbeing and best possible future of our children. This is something which I hope we can all agree is paramount.

I am pleased, Mr Speaker, to have heard from the Minister, that Key Stage alignments will now coincide with the year in which pupils are scheduled to move from lower to upper primary and, likewise, from upper primary to secondary schools. These realignments make logistical and educational sense in respect of providing teaching and learning resources which the schools necessarily require.

I would like to take this opportunity to also recommend to the Minister that in their plans for building and resourcing of new schools, careful consideration be given to current trends in respect of developments in schools' curriculums. An example of this, Mr Speaker, is the initiative already taken by one of our locally based private schools which now offers Computer Science at both GCSE and 'A' levels. It is courses like these which will serve to prepare today's pupils to become the skilled workforce which Gibraltar will need for tomorrow as the future will be dominated by digital technology.

Likewise, Mr Speaker, the GSD have raised the concept of modern apprenticeships in the past and we still believe we need to offer more in this field than we currently provide. Those pupils who do not wish to pursue an academic future need to be provided with the opportunity of a modern apprenticeship programme which, if properly structured, has the same standing as higher education. We need to create a gold standard for an apprenticeship programme so that employers have confidence in the system. The time for investment is now, Mr Speaker – not just in formal academic education heading towards entry into higher education, but also in the co-ordination of training and skills through vocational courses that carry international accreditation.

The Minister for Education has made reference to the introduction of 'T' levels at secondary schools: I welcome this introduction and see it as a step towards a possible introduction of future scholarships in favour of pupils who wish to pursue Further or Higher Education in respect of what are commonly referred to as traditional trades, rather than theory or academic qualifications.

Mr Speaker, we must not forget the ultimate aim of providing education for our future generations: it is our duty to ensure all pupils always achieve their maximum potential.

1885 Whilst desiring only all the very best in respect of the forthcoming educational reforms, I cannot but end by reinforcing that the views of the professionals in this field must be heard and acted upon. There is no better formula for success than to cultivate a sense of ownership amongst all tasked with the education of our children.

1890 Furthermore, the GSD believes that schoolteachers are a priority that is both needed and from which society will receive huge benefits. The job that they do benefits everyone. (**A Member:** Hear, hear.)

1895 Teachers are not a group who are prone to industrial action or making a fuss about nothing. They do not crow the loudest. (**A Member:** Exactly.) I concur with the views expressed recently in an opinion piece published last month in the *Gibraltar Chronicle* and I have to quote Mr Jonathan Ablitt, who is now lecturing in the United Kingdom. Teachers have:

‘for so long ... silently and diligently “got on with” the underappreciated and deeply challenging job of providing an education – formal and otherwise – to generation after generation of Gibraltarians’.

The recent exchanges and recriminations with the Government over the NASUWT pay claim, and the way it has been handled, has not benefitted anyone so far. I hope that the Government will make a realistic effort to heal this festering wound by making sensible suggestions in order settle the teachers’ claim.

1900 No one has been more critical of Government spending than the GSD have been over the last seven years. It has advocated prudence and pointed to the dangers of uncontrolled spending. This does not, however, amount to austerity. It is about prioritising Government’s spending in areas where it is needed or where, as a society, we are going to get the greatest benefit. The teaching profession is one such area.

1905 Mr Speaker, before I sit down, I must take this opportunity to once again thank you and all your staff of Parliament for the patient and yet professional way in which you have dealt with us. I know that you have always led by example in being able to advise Members on both sides of the House, and conscious that it is an election year and no one knows what the future will be, I will end up by perhaps quoting the recently deceased Doris Day: Que sera, sera, Mr Speaker.
1910 (*Banging on desks*)

Chief Minister (Hon. F R Picardo): Mr Speaker, given the disclosure of material that the Hon. Member Gentleman has just made, I think it would be appropriate for us to break now until, say, 3.15 this afternoon to hear the two remaining speeches – both of which I must say I am very much looking forward to – and return then.

Mr Speaker: The House will recess till 3.15 this afternoon.

The House recessed at 12.51 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.15 p.m. – 5.47 p.m.

Gibraltar, Wednesday, 12th June 2019

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The Gibraltar Parliament

The Parliament met at 3.15 p.m.

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

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

Appropriation Bill 2019 – For Second Reading – Debate continued

Mr Speaker: I am grateful to the hon. Member. The Hon. Danny Feetham.

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

5 I have been asked this year by my party, as indeed last year, to draw together some of the themes that we have highlighted in this year's debate and respond, where relevant, to some of the speeches from the Government side.

10 In relation to the latter, let me say that this has been a well-conducted debate, that the speeches that I have heard from the other side ... whilst not agreeing with a lot of what has been said, I want to congratulate certainly some of the Ministers – in particular Minister Cortes and also Minister Costa, and indeed the Deputy Chief Minister – for concentrating on the positives and what they in their Ministries have done, rather than attempt to denigrate, as has been perhaps the hallmark in the past and indeed of some other Ministers, to denigrate what has been done by this side when we were in Government over 16 years. In that regard, I cannot
15 speak in the same terms about Minister Sacramento and I certainly cannot speak in the same terms about Minister Isola, and I will have something to say about his contribution in due course.

Mr Speaker, I start my contribution by making a number of general observations by way of context on the debate on the state of our public finances. Our differences with the Government
20 are not just about transparency and about accountability. These are the issues that are most readily understood by members of the public in what is a very difficult debate to follow, but it is much more than that. It is about being able to support existing or indeed emerging financial problems so they can be dealt with before they get out of hand. It is about protecting future generations of Gibraltarians against the economic pitfalls, burgeoning debt and the
25 consequences of unaffordable recurrent expenditure. We all live in the moment, but not everything is or can be about today. Debt mountains and out-of-control expenditure is all deferred or future taxation or cuts in public services, or both. Simply because in Gibraltar we have been on an upward curve for the last 30 years does not mean that the trend will or indeed can continue.

30 Neither can we lose sight of the very peculiar threats that we face as a community. The Spanish government is a continuous thorn in our side, no matter how much goodwill flows from this side of the Frontier in the form of what we believe is an outrageously one-sided Tax Agreement.

35 We called Brexit an existential threat to our economic model in 2016. I personally stand by that statement that we will adapt, absolutely we will adapt, but to adapt you need time and you need patience and it may not be painless. In a community where our standard of living has shot

up over the last 30 years, will people be prepared to take a hit on their standard of living if the risk that the Government is undoubtedly taking with our public finances does not go to plan? What about the people who are already finding it difficult to cope now, who find it difficult to make ends meet? They are the ones who will suffer the most if the risks that *they* have taken backfire.

On many occasions I have warned of not taking things for granted, of the curves up ahead. I have been the jeremiad to their Father Christmas: warned that it is not just the Government that needs to change its mindset, unpopular as that may be with the community; that as a community we needed to recalibrate our expectations. There is a phrase that I dislike more than any other that I have heard as a Government Minister or a Member of the Opposition.

Chief Minister (Hon. F R Picardo): Vote GSLP!

Hon. D A Feetham: *Es que a mí me pertenece*, Mr Speaker: 'I am entitled to it.' It is an attitude that has been fuelled by auctions at General Elections in Gibraltar and it is something that has got to end. **(Hon. E J Phillips: Hear, hear.)**

In Bermuda, when governments there changed the borrowing limits, much as they have done in 2016, those auctions reach such levels that their governments ended up borrowing to pay for recurrent expenditure.

A strong economy, sound public finances, money in the bank to see us through difficult times – a point to which I shall return during the course of this speech – those are the true foundations of a successful and indeed a fair society. That is the way to protect the Gibraltarian way of life, our public services and ordinary working-class people. They are the core founding principles of the Gibraltar Socialist Labour Party and they are the principles that are in danger of being betrayed by the parties opposite in the conduct of the public finances of Gibraltar *(Interjection)* and we will see the detrimental consequences of that policy when I develop some of those points in a few moments.

But the story of this Budget debate is not the speech that the Hon. the Chief Minister has given, it is not the supremely confident erudite speech that the Leader of the Opposition has given *(Laughter)* and indeed Mr Clinton. The headline and the story of this Budget debate is that Minister Bossano, no ordinary Minister but the architect of the Government's economic policy – let that sink in: the architect of the Government's economic policy – finds it necessary three days before the Budget debate is due to open to appear on public television giving a health warning on the amounts of money **(Hon. Chief Minister: To the Government.)** that his own Government is spending by way of recurrent expenditure *y poniendo el parche ante que le salga el grano* by basically saying, 'Well, hang on a minute – just because there is economic growth of 8% this year, please don't come to us with any more of those pay claims that the Hon. the Chief Minister meets so readily.' *(Interjection by Hon. Chief Minister)* I suppose that is the logic because there is no direct correlation between economic growth and rises in recurrent revenue.

But, Mr Speaker, joking aside, it is an absolute vindication of the position that this party has taken not now, not last year, not the year before last, but in the last seven or eight years that we have been debating in this House, because we had been saying and warning about huge increases in recurrent expenditure, how those were not sustainable and indeed there was no direct correlation between economic growth and the soundness of the public finances, and that recurrent revenue, which had already been converging dangerously by 2014, if allowed to continue would outstrip recurrent expenditure. All of that is in speeches that go back to 2014, to 2013. And for that we were told that we were the party of austerity, despite issuing in 2013, 2014 and 2015 the same warnings that the Father of the House, the architect of their economic policy, despite issuing the same warnings that he issued on Friday and repeated during the course of his own intervention.

It is a shame, Mr Speaker, that the Father of the House is not here today (*Interjection*) to listen to what I have to say. I hope that he is listening to this contribution on the radio – (*Interjection*) because during his Friday broadcast he said this – and I am quoting:

I will be 80 years old. I have confirmed to the GSLP executive that I will be offering myself up as a candidate. I also know there will be those who want to see the back of me who will be disappointed, but they will have to wait another 10 years.

90 Well, Mr Speaker, let me tell the Father of the House, the architect of their economic policy, from the bottom of my heart that no one here on this side of the House wants him to leave politics or not to put his name forward as a candidate at the next election. (**A Member:** Hear, hear.) (*Interjection*) I must conclude that the statement that I have just read out was a statement directed not at us, but at them. (*Interjection*) Absolutely, Mr Speaker.

95 When the hon. Member the Chief Minister comes back to us in response, saying it is all a load of rubbish – and he has always delighted in his left, right, left, right flip-flops that he says, very unfairly, I have to say, directed at me – that I have made my own personal hallmark because of, for example, our support of agency workers, I make this point. What we are not going to do is to provide political cover as an Opposition for decisions they have taken over the last eight years,
100 particularly when people have been exploited, as agency workers have, as a consequence of the decisions they have taken when they have also made it as difficult as possible for us to scrutinise the public finances of Gibraltar, be it through not answering questions, giving incomplete or misleading answers or doing what they are doing this week, which is not having a meaningful debate on the state of our public finances because we are only debating half of the accounts of
105 the Government. That is the reality. I ask members of the public to consider the multiple flip-flops in *their* statements and their own inherently contradictory positions that they have taken over the years before assessing the veracity of what either side of this House is saying.

In 2010, when gross public debt stood at £540 million, he said that the GSD was addicted to debt. Today, it stands at £1.24 billion, or £1.4 billion if you take into account the latest
110 announcement, the £160 million that the hon. Gentleman announced when he was announcing what he described as a sale of the 50% owned by the Government in co-ownership estates. That is 230% more, stripping out the £160 million: 230% more gross debt from the time when he said that the GSD was addicted to debt.

In 2011 he said that we had exceeded the legal borrowing limit because the GSD had
115 £20 million of borrowing in Government-owned companies. Today, borrowing in Government-owned companies stands at £794 million. That is a 3,970% increase from the time he was lambasting us for those £20 million of debt in Government-owned companies. And when we argued, before the changes in the legal borrowing limits in 2016, that they were using Government company borrowing to circumvent the legal borrowing limits, he said that we did
120 not know what we were talking about, forgetting that that was precisely the same point that he made in 2011, but on a miniscule scale compared to the systematic re-engineering of our public finances through the use of Government-owned companies – companies that are not only repositories of off-balance-sheet debt but are used to pay for expenditure that would otherwise come from Government revenue.

125 In 2010, as the Hon. the Leader of the Opposition has pointed out, he said that every man, woman and child was notionally indebted to the tune of £16,000. By his own measurements today it stands at £40,000, 250% more than when he made the point in 2010. Indeed, the difference is that he has now mortgaged Government housing estates (**A Member:** Hear, hear.) (*Banging on desks*) in order to secure that debt.

130 Mr Speaker, I ask members of the public to consider this: what would have happened if anybody on this side of the House – or the greatest Gibraltarian of our time – would have mortgaged Gibraltar's Government housing stock in the way that he has done?

Hon. Chief Minister: We didn't; we sold it.

135 **Hon. D A Feetham:** We would have (**Hon. Chief Minister:** Riots.) been hung by the highest flagpoles from the tenderest parts of our bodies – that is what would have happened. (**Hon. Chief Minister:** Longer tongues!) I would be today delivering speeches with the voice of a Vienna choirboy. (*Laughter*) That is what would have happened.

In December 2011 he said that he had found an impenetrable curtain. Those were his words: 140 impenetrable curtain. Today, there is a veritable political equivalent of the Berlin Wall, Mr Speaker, (*Banging on desk*) that has gone up to cover the way the Government is managing its public finances. No one knows how the Government has precisely spent the £400 million in Credit Finance Company Ltd or the £300 million borrowed through Gibraltar Capital Assets. Indeed, we do not even know whether all of it has been spent. We do not.

145 In December of 2011 he addressed the nation and told us that there was ‘a serious public finance and public debt problem’. He then proceeded, in four short years, to borrow not only that huge amount of debt that I have alluded to a few moments ago but he also spent £750 million on capital projects – in four years! The man who lambasted the GSD for its spending and the man who lambasted the GSD for being addicted to debt. They criticised the refurbishment undertaken to No. 6 Convent Place, told people that the piles of the carpets were 150 so thick and so luxurious – I recall the words – that when you exited the lift at the Chief Minister’s floor your feet would sink into the carpets. What does he go and do when he is Chief Minister? He spends £4.6 million in an Italian palace at No. 6 Convent Place; that is what he does.

155 Mr Speaker, when he was on these benches he even used to criticise the use by the then Chief Minister of the VVIP airport lounges at taxpayers’ expense – a few thousand pounds. Leaving aside the fact that he has continued under his watch to use the same VVIP airport lounges, the previous Chief Minister was Scrooge-like when we compare him to the cavalier way in which the hon. Gentleman has spent, over the last eight years, the people’s money.

160 Mr Speaker, I accept that negativity and criticism in politics, however necessary, is always going to be trumped by positivity, particularly when you have a significant chequebook to back you up, but no self-respecting Opposition, no self-respecting Leader of the Opposition –

Hon. Chief Minister: You’re not the leader.

165 **Hon. D A Feetham:** – could claim to be doing his or her job, if it did not point to these inherently contradictory and hugely flawed positions which the parties opposite have held on these issues and the natural consequences of what they are doing with the public finances. He says that the numbers speak for themselves. The numbers do not speak for themselves, 170 Mr Speaker. They do not, and that is precisely why on this side of the House we are not voting in favour of the Budget this year. (**Several Members:** Hear, hear.) (*Banging on desks*) (*Interjection*)

And it is not only about contradictions; it is not only about that. In two successive elections, in 2011 and in 2015, they failed to tell the electorate that their spending would be underpinned by critical changes to allow him, the Chief Minister, to continue with his open chequebook 175 policy. During the 2011 General Election they did not tell people that they intended to amend the Gibraltar Savings Bank Act in order to allow us to move from a position where the Gibraltar Savings Bank could only invest the process of debentures in cash or cash equivalents – very safe forms or investment – into anything that the Government wanted the Gibraltar Savings Bank to invest in. It was that amendment in March 2012, barely three months after the 2011 General 180 Election, which allowed them to use hundreds of millions of pounds of savers’ money to invest in Credit Finance Company Ltd and, from there, into loans to third parties or to pay for the commuted pensions of civil servants, amongst others – payments which are not reflected in this Book but which would have had the effect of increasing Government expenditure or reducing, or wiping out, the surplus.

185 At the time he was castigating the GSD Government in 2011 for our record debt – or so he said – he was already planning to borrow and spend even more than we had done, but the

difference was that he was not going to borrow directly; he was going to do it using the proceeds from the Gibraltar Savings Bank through a morass of Government-owned companies.

190 **Hon. Chief Minister:** We had a resolution on borrowing limits, a resolution to –

Hon. D A Feetham: Mr Speaker, this is why contributions – *(Interjection by Hon. Chief Minister)*

195 **Mr Speaker:** Order!

Hon. D A Feetham: Mr Speaker, I am referring to facts. However uncomfortable that makes hon. Members opposite, these are facts which the people of Gibraltar will have to weigh in the balance as to who is right and who is wrong in relation to this particular debate. This is why contributions from the Consolidated Fund – in other words, the kitty into which all Government revenue is paid to the IDF; the kitty out of which the Government pays for projects – went down from £181 million in 2012 to an actual of £53 million last year; £181 million in 2012 to £53 million last year. With all the Government developments that there have been in Gibraltar since 2012, contributions to those projects directly from the Government has gone down, it has not gone up, and the reason is that it is all being funded through borrowing in Government-owned companies, which is not accounted for in this book and the numbers are not reflected in this Book. The sole purpose has been the extreme re-engineering of our public finances in order to allow him to stand up every year and say, ‘Look what a financial miracle I have presided over,’ and to shield him from criticism, bearing in mind his discourse in 2010-11 about Government debt and about Government spending.

He then repeated that process a few months after the 2015 General Election by unexpectedly amending and increasing the legal borrowing limits to allow him to borrow potentially even more. These are the same amendments which Bermuda introduced and which led to spiralling debt problems in that jurisdiction. If I ask members of the public this question – should the parties opposite have told people at the last election that the legal borrowing limits, the limits of how much the Government could borrow, were going to be amended months after the election? – do you not think that the answer by most right-minded thinkers and people in Gibraltar would be of course he ought to have disclosed it during the General Election?

What is worse is that, in this case, during that General Election we had made public debt an electoral issue and they never said, ‘We not only defend the levels of public debt but we are going to change the legal borrowing limits because we want to borrow more.’ That would have been the honest thing for them to have said at the last election to show the courage of their convictions, to say, ‘Not only do we think that public debt is low, but we are going to change the legal borrowing limits to allow us to borrow more.’ They did not do that.

225 I know that these annual debates often turn into political point-scoring exercise, but it is not about that. We are entitled to refer to those contradictions and then ask the question: do you really trust them in the management of one of the fundamental pillars of our economy? And the resounding answer to that question in the light of that record that I have outlined is a resounding ‘No, no, no!’ *(Banging on desk)*

230 **Hon. Chief Minister:** It was a yes, yes, yes at the last election!

Hon. D A Feetham: But what have been the consequences of all this, Mr Speaker? *(Interjection by Hon. Chief Minister)* The more he interrupts me the more I am enjoying it, I have to say. **(Hon. Chief Minister: Nerves!)**

Apart from the issues that divide us about whether the debt mountain in Government-owned companies should be considered public debt, or whether the amount spent for Government-

owned companies is truly Government expenditure, or whether this Book is only half the picture, there are some very serious long-term issues at stake here.

240 I understand the view of the Government that debt *per se* is not bad; we all do on this side of the House. The Father of the House has often expressed the view that without debt we would live in the equivalent of the Stone Age. What he did not say is that there is a draft IMF report that has been issued – barely two weeks ago, I think – providing a different view on the dangers of public debt. In the short run, public debt is good; it is a good way for countries to get extra
245 funds to invest in their economic growth. The GSD did it in order to prevent a recession post the 2007 collapse in the banking sector. When used correctly, public debt improves the standard of living of a country. That is because it allows the Government to build new roads, to improve education and job training. This spurs citizens to spend more now, and spending further boosts economic growth.

250 But debt can also be a millstone that impacts not just on today's generation of taxpayers but it can also affect future generations in a small community and it can be very dangerous. When debt starts approaching significant levels investors usually start demanding higher interest rates. We know that over three years the Government has already paid £34 million in interest on the £300 million loan. We do not know the extent of that interest in relation to that loan and the
255 other so-called investments that the Government has made because we simply do not have the necessary see-through in order to be able to make that judgement. But at a time when we are also having to reposition our economy, when we face the largest curves that we have faced since the Frontier closed, these will inevitably, in our view, have an effect. You cannot in a small community like Gibraltar hermetically seal the debate on debt from other parts of the public
260 finances.

Mr Speaker, the Hon. the Father of the House said that in Japan there is a debt to size of the economy ratio of 250%; in the United Kingdom it is also very high; and in the United States. But we are not Japan. We are not the United States. We are not the United Kingdom. We are a very small community, Mr Speaker, with a small economy by comparison.

265 There are four factors that are relevant, when we consider this aspect of the debate: there is debt; there is cash; there is recurrent expenditure; and there is recurrent revenue. Debt has gone up massively, as I have said: 260% or 240% since they were elected in 2011. I am talking about gross debt, including the debt in Government-owned companies.

Recurrent expenditure has increased by 177%, Mr Speaker.

270 Cash held by the Government has gone down from £234 million in 2012 to £120 million today. We do not know what the cash position is in Government-owned companies because again we do not have that see-through; but neither debt nor recurrent expenditure is likely to go down in the short to medium term. Certainly that was admitted by the Hon. the Father of the House.

275 So therefore we are left with recurrent revenue. Recurrent revenue, as the Father of the House pointed out, comprised three heads: import duty, which is 25% of recurrent revenue, Mr Speaker – 25%, the bulk of which is tobacco revenue. As the Hon. the Father of the House said, that is not likely to be going up in the future. Well indeed; it may even come down in the future, Mr Speaker. (**Hon. Chief Minister:** Unlikely.) Then we are left with income tax and corporate tax.
280 However much we value gaming companies – we *all* value gaming companies – the reality is that the contributions to corporate tax and the contributions to income tax from gaming companies represents the bulk of that contribution.

In 2002-03 I used to say – not being derogatory towards the gaming sector, but I used to say – the gaming sector is a footloose industry, by which I meant that today they can be in
285 Gibraltar, tomorrow they can be somewhere else, Mr Speaker. Therefore, when you actually consider those four components, you cannot hermetically seal the debate on debt from the other components, because if our recurrent revenue goes down you are then left with *huge* debt, *huge* recurrent expenditure, Mr Speaker, and then you are left in a very difficult position to say the least.

290 In the context of assessing risks that could create a severe financial crisis, Bermuda's Financial and Fiscal Responsibility Panel said this, Mr Speaker, and I quote:

... of greatest concern is the certainty of the Island's shrinking workforce and ageing population that will put ever-increasing pressure on both taxes and spending. On present trends, Bermuda is heading for a downward spiral of demographic and economic decline.

The high level of government debt, unfunded pension liabilities and other contingent liabilities leaves the island extremely vulnerable. Deficit and debt reduction must therefore remain a high priority.

The panel then also expressed concern as to vulnerability to outside forces. It said this:

... any shock that has a significant negative impact on Bermuda's economy could trigger a fiscal and financial crisis. [...] Improving fiscal resilience by pursuing fiscal balance and debt reduction therefore should remain an overriding priority.

I believe, Mr Speaker, that high debt leads to high deficits, that in turn result in long slumps and unemployment when future Governments attempt to correct the positions.

295 In some countries, unfortunately, an entire generation has been thrown on the scrap heap – indeed in Europe – when there has been an attempt to balance the books after overspending and over-leveraging their public borrowing. Unsurprisingly that has led to the rise of populist parties on both the left and also the right, Mr Speaker. Austerity aimed to reduce the dangers of debt default has rendered politics dangerous instead, and I believe contributed to Brexit where
300 working class people in the northeast and elsewhere felt disenfranchised and sick to the teeth of the poverty and uncertainty that that austerity had brought.

In simple terms, I believe that we are taking risks that we should not be taking and that we cannot assess that risk because of the way that they have chosen to manage the finances of this community. If we are wrong, Mr Speaker, let the Government open its books (**Two Members:**
305 Hear, hear.) – *all* its books, including the accounts of Government-owned companies, be open to the Opposition. Let's have a public accounts committee, let's be open and let's be transparent. (*Banging on desks*)

Mr Speaker, in a democracy, even where an opposition oversteps the mark in its criticisms of the Government – and I accept that I have done so at times, perhaps even often, Mr Speaker!
310 (*Interjections*) I will concede that. (**Hon. Chief Minister:** All is forgiven!) It is that adversarial testing of government policy that helps keep governments in check and helps make people think. (**A Member:** Hear, hear.) If you hide the true state of our public finances, you do everyone, including future generations, a huge disservice. Not providing a clear picture of where we are with our public finances is damaging in other ways.

315 Mr Speaker, every person anywhere in the world has to make ends meet and will know how much he or she earns or expects to receive every month, and if they are prudent, spends accordingly. If you are lucky and you are hardworking, you may be able to invest in a home, in the education of your children. If you have a surplus, you take a holiday, you buy a car or you save. The better you do, the more you spend. I accept that there are people out there who are
320 not as lucky and in respect of whom we all as public servants have an overriding duty. But in the modern family unit, the demands are far greater, I believe, than they were 40 or 50 years ago, when people were less prosperous and consumerism less in your face than it is today. (**A Member:** Hear, hear.)

The pressure on parents is considerable. When I grew up I used to be happy when my parents
325 bought me a football, Mr Speaker, despite the fact that I have two left feet – I was absolutely appalling at the game! Today it is the latest iPhone or the latest whatever player, Mr Speaker. (**A Member:** Hear, hear.) So too, with governments and the demands from citizens.

By not being realistic, by not putting everything – company debt and company spending – before this Parliament in an open transparent way, so that we can assess the true state of our
330 public finances and by crowing every single year – he has not done it this year, I have to say – but by crowing every single year that we are in the top 10 *per capita* of wealthiest communities

in the world ... When you throw a party every single year with an overspend of £3 million, Mr Speaker – let that sink in: £3 million – you are going to invite over-optimistic claims from across sectors in society.

335 What they have then done is entered into piecemeal agreements with some of those sectors but not others, which are difficult to understand. We do not detect a holistic industrial relations policy, other than to keep one sector or another happy on any given day. If you say we are the third or fourth wealthiest nation in the world or portray an image of cool Gibraltar, where money is no object, without tempering that with everything else we have been saying from this
340 side of the House, then do unilateral deals with this or that part of the public service, you are going to have other parts of the public service wanting parts of the action, Mr Speaker. That is the reality (*Interjection*) but you are also left with a situation where a socialist Government makes it more difficult for workers to accrue their rights, as we saw with the increase in the qualifying period with the agency regulations from 12 weeks to 52 weeks, simply because the
345 Government wanted to avoid deploying so many youngsters in the public service directly employed by them – and they have the audacity to then say, as the Father of the House said in answer to my questions two weeks ago, that it was all done for their benefit. Well look, I suppose (*Interjections*) that the proliferation of zero-hour contracts was also for the benefit of all those workers out there that are being exploited on zero-hour contracts.

350 He then comes to this House, Mr Speaker, in his Budget and he says, 'But we are now going to be abolishing the Swedish derogation and we're going to be making it possible for people who are in a post learning as much, or in a post with their permanent civil service or public service counterparts, we're going to make it easier for them to apply for them to be made permanent.'

355 But, Mr Speaker, does he not realise – I do not know whether there is communication between himself and the Father of the House, but does he not realise – that it is the public service that was guilty of actually shifting agency workers from one part of the public service to another, in order to prevent them from acquiring their rights? He came to this House as if this was an abuse of the private sector. It was an abuse of the Government as employer, Mr Speaker! That is the reality.

360 Let me say – and I detected from the sedentary position, and I think this is the point that they were making – they may say well, there is a contradiction, bearing in mind what you have said about recurrent expenditure. But there is no contradiction. Exploitation, Mr Speaker, cannot be justified and prioritising has been at the heart of our economic discourse. These individuals were filling permanent vacancies at reduced rates of pay. Employing them has added £2.4 million to
365 recurrent expenditure. (*Interjections*) But in 2018 alone, recruitment companies were being paid £2.8 million, Mr Speaker, according to answers provided by the Government, which I do not believe actually tells us the extent of it.

Mr Speaker, £2.8 million – which was money for jam ... That is the reality of the £2.8 million that was being paid to recruitment companies. It is money for jam for this reason, even though I
370 accept that was a gross from which you then had to deduct the expenditure of what those recruitment agencies paid the workers – money for jam for this reason: what was happening was that people were going to the ETB, 'Do you have a job for me?' and the ETB was saying, 'Well, you go to X, Y or Z recruitment agency and they are going to place you within the public service.' The recruitment agencies did not have to do anything to earn that money. It was money
375 for jam. It was money that should have gone into the pockets of the agency workers, not the recruitment agencies, as we have consistently pointed out.

The hon. Gentleman also made the point – I think it was Mr Licudi, but the Chief Minister also made the point – that we have record unemployment in Gibraltar. I think it was 55 people that are unemployed. Look, it would be churlish of me ... I do not believe that the 55 people are a
380 true reflection of unemployment here in Gibraltar, not least because it does not take into account the people who are on zero-hour contracts who of course may not be working a full set of hours a week, because these are as-and-when contracts. So somebody can be employed but of course not be working because they are not required to work under the contract with the

employer. Unless you have full transparency in relation to that – and in Gibraltar, the National Statistics Office provides you with those statistics; the ETB here in Gibraltar does not – unless you have that, you cannot say what the *true* levels of unemployment in Gibraltar are.

But look, even if it is 100 or 150, you are still talking about low levels of unemployment. I accept that. In the same way as we said we had unemployment from this side of the House at 300 and we said that was very low unemployment, and we were right and I think the Gibraltar is blessed in that regard.

But of course, 55 people or 100 people or 200 people are 55, 100 or 200 too many people that are unemployed. I see an awful lot of people in my surgeries, who come to me on a permanent basis because they cannot find jobs in Gibraltar, either because they have convictions, Mr Speaker, and employers therefore do not want to employ them, or because they have a series of other problems. I think that more can be done – and I am not criticising the Government in relation to this. More can and, I believe, ought to be done in order to help those people.

I also want to defend the record of the GSD Government, a Government of which I was a Minister, the only surviving Minister, together with my honourable friend Mr Reyes. We created 8,000 new jobs, Mr Speaker, in the 16 years that we were in Government. They say that we detected criticism in the fact that not enough of those jobs went to Gibraltarians. There has never been 8,000 Gibraltarians unemployed in Gibraltar. In other words, Mr Speaker, you could not fill those 8,000 vacancies by Gibraltarians, Mr Speaker. You could not. In the same way as I accept that all those jobs that they have created could not, all of them, be filled in eight years by Gibraltarians.

The Chief Minister and also Mr Licudi said Mr Licudi said, 'There were 1,000 unemployed when you were in Government' – 1,000 unemployed or 1,400, I think he said.

Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi):
Will the hon. Member give way?

Hon. D A Feetham: Yes, of course.

Hon. G H Licudi: Mr Speaker, that is not what I said. What I said was that the hon. Member *admitted*, just before the 2011 elections, that unemployment figures in Gibraltar were in excess of 1,000 people. (*Interjection*)

Hon. D A Feetham: Mr Speaker, it is disappointing, I have to say – it does not surprise me, because the hon. Gentleman sometimes is more interested in perhaps activities outside his Ministry than inside his Ministry (**A Member:** Ooh!) – that he is not on the ball in relation to this particular issue.

I have never, ever said, Mr Speaker – *ever* said – that there were 1,000 unemployed in Gibraltar. It was a debate that I participated in together with the hon. Member and Mr Phillips during the 2011 debate. (**Several Members:** Oh!) (*Interjections*) During the 2011 debate, Mr Speaker. And what I said is that I accurately predicted the cost of the Future Jobs Strategy at £10 million and the way that I did that – and I broke it all down for his benefit – it surprises me that he cannot remember – and I said there are 300 people unemployed in Gibraltar; there are 450 people training within the VTS scheme; there are, I think it was, 150 people in the Training and Construction Centre and there was also a number as well in the Sheltered Employment Scheme and all those came to a thousand. And because their commitment, Mr Speaker, was that they would offer the Future Jobs Strategy not only to the unemployed but also to those in the VTS scheme and those that were in training in the Construction Training Centre, I knew that it would affect a thousand people and therefore I accurately predicted that cost at £10 million.

I hope the hon. Gentleman now understands it and that I am not going to have to repeat it for his benefit in the future.

It is also inevitable, Mr Speaker, as the remarkably eloquent robust and well-researched speech that the Hon. Mr Hammond gave, *(Laughter)* that, as a consequence of the Government's public finance policy and its spending, there will be a mad scramble to bring new revenue into Government coffers. One of the ways that this will be done is through a premium on developments and we have seen that being done.

Mr Speaker, we are altering the way the Gibraltar looks. It is not always for the better. We see it in the pace of development, the tower blocks going up at an unprecedented rate, height restrictions within the city walls ignored, Mr Speaker, despite the Gibraltar Development Plan. We not only face turning our community into a soulless-looking Gibraltar, but the effect on our living environment in terms of pollution is considerable. We need development, but it needs to be measured and it needs to be controlled too, Mr Speaker. If the Government needs money, the terms 'measured' and 'control' unfortunately go out of the window and that is what we have seen happen in Gibraltar over the last few years.

Mr Speaker, I now turn to considering some of the speeches that have been made by some of the Members opposite. *(Interjections and laughter)*

Mr Speaker, I hope you will be laughing when I finish.

Hon. Chief Minister: I will be laughing throughout.

Hon. D A Feetham: He will always have the last word and you know that I always enjoy his responses, even when he tells me that I have cut the electricity for babies and mothers and all the other nasty things that he has always accused me of.

Hon. Chief Minister: Maybe in a Select Committee we could make that stick!

Hon. D A Feetham: Absolutely, indeed, Mr Speaker!

Mr Speaker, Minister Isola is a fine Minister. Minister Isola is a fine Minister, Mr Speaker. A tad too lenient, I have to say, with some of the senior personnel in the FSC – I have said that in the past. **(Several Members: Ooh!)** A tad, a tad!

But I accept these have been difficult times, there have been Brexit negotiations, and the last thing that he wants is a quarrel with the CEO of the FSC.

But whilst he is a fine Minister, Mr Speaker, he has absolutely nothing to teach us about opposition politics because when he was on this side of the House, he spent four years on this side of the House, he was known as 'Invisible Albert', Mr Speaker. *(Laughter)* Invisible Albert! *(Interjections)* He spent more time agreeing with the then GSD Government than he did holding them to account, Mr Speaker.

No wonder that he says that he was in meetings with the then Chief Minister where his clients were obtaining these wonderful deals, Mr Speaker! The reality is that he put commercial interests above doing his job as an Opposition MP. That is the reality, Mr Speaker. *(Interjections)* That is the reality, Mr Speaker. *(Interjections)*

Mr Speaker: Order!

Minister for Commerce (Hon. A J Isola): Mr Speaker, I suspect this will typify what we are about to hear in the remainder of the hon. Member's speech, which is nonsense, because I was not in Opposition when that meeting happened. That meeting was actually quite recent and I left politics in 2000. I am talking about 2007, 2008, 2009, when I had no conflict because I was not involved in politics at all.

So if we are going to make those sorts of serious allegations at least, please, let's not truth get in the way of a good story. *(Banging on desks)*

Hon. D A Feetham: Mr Speaker, I have not misunderstood the hon. Gentleman. He said during the course of his intervention that it was a meeting that occurred in 2002-03 – that is what he said. (**Hon. A J Isola:** No.) Well look, it is an error on his part. (*Laughter*)

490 But Mr Speaker, the reality of the position is that he spent more time agreeing with the then GSD Government than he did holding the Government to account, as was his duty as an Opposition MP.

I have been both a Government Minister and I have been a Member of the Opposition and I can tell you what is much more difficult. What is much more difficult is to do your job as an
495 Opposition Member of Parliament – a job that he did not do well when he was in Opposition. So he has absolutely no right to lecture anybody on this side of the House, least of all my hon. Friend, Mr Hammond – no one on this side of the House – about what the old GSD stood for compared to the new and all that diatribe, because that is what it was, during the start of his intervention.

500 Mr Speaker, the rumour about town is that he is shortly to wave goodbye to politics. I wish him all the best, Mr Speaker. I wish him all the best. He told my hon. Friend, Mr Hammond to concentrate on plane spotting. Well perhaps he can now concentrate on property development, Mr Speaker. (**Hon. A J Isola:** I will.) I know that you will. (**Hon. A J Isola:** Very successfully.) Absolutely, very successfully, absolutely.

505 Last year I was very critical of the CEO of the FSC and some of her policies. I believe those criticisms to have been justified. This year, I will say that as someone who practises in the area of contentious financial services there have been appreciable changes in attitude. I have to say that. The same way as I criticise, I also have to point out that that is the position, and that is very welcome, not only by us but also the people that I talk to who practise habitually in the financial
510 services sector. The Government has published significant legislative reform proposals in respect of which we will sit down with the Minister for Financial Services – if he will still have me, I have to say! – to provide our views. I hope it will lead to a more efficient handling of applications for authorisation and to a less costly way of doing business.

Any attempt to water down the protection afforded to licensees, be it by way of access to the
515 courts or otherwise will be opposed by us. So too will be any increase in powers that are not justified. The FSC and those at the very top of the organisation have a vital role to play in our economic development. They are not there, Mr Speaker, to make life more difficult for licensees or to build empires.

Finally, Mr Speaker, in this section of my contribution, I have never been one to say that a
520 Gibraltarian should get a job over and above somebody who is a better candidate from outside Gibraltar. But there are some very, very good locals working in the FSC. It is the only public organisation that I can think of in Gibraltar where, since its foundation, we have not had a local CEO. (**Hon. Chief Minister:** Yet.) I hope that changes, Mr Speaker, when Mrs Barrass retires, as I think she will towards the beginning of next year.

525 There are historic reasons why locals have not been the CEO of the FSC. Parliament may recall that for many years the term ‘authority’ under the relevant legislation was defined as the CEO. In other words, the authority was not the Financial Services Commission. The authority was the person who led the Financial Services Commission. That person was appointed by the Foreign Office and the reason why the authority was the CEO of the Financial Services
530 Commission was of course that by appointing that person potentially the FCO had some measure of control and influence in relation to the Financial Services Commission. That continued to be the position well into the GSD Government’s third term until the legislation was changed. It is about time now, Mr Speaker, in the development of Gibraltar and its people, that we had a local leading the FSC.

535 I now turn to the contribution of Minister Sacramento. My response will be short because the Hon. Mr Llamas has made virtually all the points that I wanted to make in response to the hon. Lady.

The hon. Lady said that the first time that 'gay' was mentioned – the first time that there was an advance on gay rights – was when they were elected into Government. Well, Mr Speaker, it was the GSD Government that introduced a Bill that equalised the age of consent and that indeed yes, that indeed –

Minister for Health, Care and Justice (Hon N F Costa): It was a Private Member's Bill. Not a Government Bill.

Hon. D A Feetham: No, Mr Speaker, it was not a Private Member's Bill.

Hon N F Costa: On a point of order, it was a Private Member's Bill.

Hon. Chief Minister: Point of order, Mr Speaker. A very limited point of order; I will reply on substance when we can.

I was a Member of the Opposition then (**A Member:** So was I.) doing as good a job as Albert Isola had when he was a Member of the Opposition – probably not as good as Albert Isola had done because Albert is well-known in the GSLP for having done a magnificent job in the time that he was in Opposition – but the time that I was there, I remember this was a Private Member's Bill. *Hansard* will reflect that.

He will recall that the issue that we had was that we believed that this should *not* be a Private Member's Bill, it should be a Government Bill (*Interjections*) and indeed, I still ... In fact perhaps I should convene a Select Committee on this subject, but I have not yet checked – one of the key issues, Mr Speaker, is a Private Member's Bill must be paid for by the Member who promotes it, not by the Government, otherwise it is not a Private Member's Bill. I asked for clarification on that and as usual I got the level of transparency I usually got – a.k.a. nothing. But I will go back and check; but it was a Private Member's Bill. (*Banging on desks*)

A Member: Hear, hear.

Hon. D A Feetham: Mr Speaker, I hesitate to give the hon. Gentleman a history lesson.

But look, what happened was this: I presented a Private Member's Bill. I presented a Private Member's Bill in order to equalise the age of consent. It was supported by four Government Ministers. Six Government Ministers – members of my party – voted against. They voted against. They voted against on the basis, Mr Speaker, that it should have been brought via a Government Bill. (*Interjections*) I haven't finished!

What then happened was that it then went, on my recommendation, to the Supreme Court. The Supreme Court agreed with me, the hon. Member, Mr Reyes, Mr Montiel and Mr Netto and said it is not constitutional to have unequal ages of consent.

I then came back to Parliament and I presented a Government Bill. What they wanted me to do was a Government Bill which equalised the age of consent at 16. They then abstained on that Government Bill, Mr Speaker, despite what they said before. In other words they said, 'You should have brought it by way of a Government bill; when we did, they abstained because they said – wait for it, Mr Speaker, wait for it! – they wanted to consult on whether the age of consent should be reduced for homosexuals from 18 to 16 or increased for heterosexuals from 16 to 18. As usual their style in Opposition was to be all things to all men, Mr Speaker, and they neither wanted to upset the religious lobby or those that wanted equalisation. (*Interjections*) That is precisely what happened.

Mr Speaker, I am not going to take lectures from the hon. Lady in relation to this particular issue, when the two only surviving Members of the GSD Government *went out on a limb* in order to advance the rights of gay men and gay women in Gibraltar, Mr Speaker. (*Banging on desks and interjections*)

Let me tell you this, Mr Speaker: when they brought the Civil Partnership Bill and when they brought the gay marriage Bill, Mr Speaker –

Hon. Chief Minister: Equal Marriage Bill.

Hon. D A Feetham: The Equal Marriage Bill, okay. (*Interjections*) It was supported by every single Member on this side of the House. There was no shenanigans on our side in order to embarrass the Government of the day. (*Interjection by Hon. Miss S J Sacramento*) We did what we felt, Mr Speaker, was right and therefore it is not right for her to say what she said about our record in relation to gay rights. (*Interjections by Hon. Miss S J Sacramento and other Members*) Mr Speaker –

Mr Speaker: Would you please sit down a moment.

I am being very, very liberal but I think the hon. Lady is reaching the limit. (**Hon. Miss S J Sacramento:** I apologise.) So I ask her to behave. Is that clear?

I do not want to spoil the exchanges, everybody is smiling and enjoying themselves hugely, otherwise we might fall asleep. I certainly would fall asleep this afternoon – after over 20 hours here. Okay, I do not want to spoil the fun that we are having, but let's keep it within reasonable bounds. And of course always mindful of the fact that the Chief Minister will also have his final say.

The Hon. Danny Feetham.

Hon. D A Feetham: Mr Speaker, in fairness to Members Opposite, it doesn't really bother me one way or the other whether they want to heckle, shout – I think I draw the line at spitting or anything like that, Mr Speaker! But it doesn't bother me. (*Interjections*) Absolutely, no, no.

They do occasionally ... I have become unusually popular these days with Members opposite! Although I will say about popularity, Mr Speaker – although I digress, I will say this about popularity – it is easy to acquire. It is not a guarantee of quality, Mr Speaker, and as they will find out at the next election, it is very easy to lose, Mr Speaker.

Several Members: Hear, hear.

Hon. D A Feetham: Well, you walked straight into that, I have to say!

I conclude, Mr Speaker. The Hon. the Chief Minister said, and I quote, 'They keep their fingers crossed hoping that we fall on our face on the issue of public finance.' I can tell him hand on heart that *nothing* could be further from the truth. I am the part owner of a business. So is Mr Phillips. Everybody here in one way or the other have devoted parts of their lives to public service and indeed, their families and their jobs are dependent on the Government getting this absolutely right. (*Interjections*) The reason why we take the position that we take, that we criticise them in the way that we criticise them is because there is no see-through, Mr Speaker. There is no see-through, as there should in any democratic system of government.

Let me, Mr Speaker, on that note: I want to just juxtapose that statement by the Chief Minister that we want him to fall flat on his face on this issue with a secret that I am going to let everybody in.

Hon. Chief Minister: It is not a secret.

Hon. D A Feetham: Well, it is not going to be a secret after I finish now.

In 2016 when we had the result of the referendum, if the hon. Gentleman opposite had said to us, 'For the sake of Gibraltar work with us for a limited period of time in a Government of National Unity', knowing how that potentially is so disastrous and detrimental to an opposition, for the sake of Gibraltar I certainly would have accepted that –

Hon. Chief Minister: It is no secret; you said it in the House and it is in *Hansard*.

Hon. D A Feetham: – and I know that some of us on this side of the House would have done so also, Mr Speaker. That is our commitment because we are prepared to set aside our differences for the sake of Gibraltar (**A Member:** Hear, hear.) but what we are not going to do, Mr Speaker, is to provide them with political cover for their failings, for their lack of accountability and for their lack of transparency.

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

Hon. Chief Minister and several Members: Hear, hear!

Hon. D A Feetham: Do hon. Members opposite want an encore? (*Laughter*)

Hon. Chief Minister: I would sign his nomination papers! (*Laughter*)

Mr Speaker: The hon. Member cannot deny that he has been a catalyst – a catalyst is something which speeds up a chemical reaction. (*Laughter*)

Hon. D A Feetham: What chemical reaction? (*Laughter*)

Mr Speaker: The Hon. Marlene Hassan-Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, the last four years have afforded me the great privilege of serving the people of this community and helping them with their issues and concerns. The nature of my political views and the platforms my team and I have created throughout this legislature have allowed me to develop a very close rapport with a growing electorate – one that is profoundly dissatisfied with the direction this community is taking and the trappings of a stagnant, ineffective political ecosystem.

In this time, I have tried to be a fierce advocate for their views in this Parliament, providing ideas and alternatives in the field of general policy, but also highlighting the systemic flaws that plague our young democracy. This is what I bring to you today, Mr Speaker: the voices of many Gibraltarians who have overcome their fear to stand up to the *status quo*, who are crying out against problems ranging from the general mismanagement of everyday affairs to the pressing need for systemic reforms that have become painfully evident.

This voice is strong, clear and irrepressible and is once again acquiring the power and historical significance it has had many times in the past. As a community when confronted with every significant challenge and defining crossroads, we have had the audacity to put our differences aside and raise our demands with a single, clear voice. We have had political leaders with vision and a commitment to the people that those who lead us today clearly lack.

At every one of these junctures, we have told the world, both inside and outside Gibraltar, that there is only one political agenda that binds and unites us all and that nothing will break this resolve. This agenda is the survival and the prosperity of the Gibraltar community and its values of autonomy national identity and self-determination.

I am here to tell this Government on behalf of my party, Together Gibraltar, and all those we represent that it is clear to us that this covenant has been broken. Measures are being taken that do not represent the best interests of the Gibraltarians but the agenda of an economic elite. We are no longer one united Gibraltar, but two: the Gibraltar that benefits from luxury developments and tax avoidance schemes; and the Gibraltar that toils in dust, pollution and ever-worsening living conditions. Our cityscape is being transformed for the sake of an economic growth that many in this community are simply not partaking in, in a way that is impacting negatively on the quality of life of almost everybody in this community.

Amid the rubble of building sites, deafening traffic congestion, toxic air and growing political and economic instability, many Gibraltarians are asking themselves, what on Earth is all this for? How is this making our lives any better? What will be left of our way of life and, most importantly, our quality of life, once this vision has materialised? Who is benefiting from this? Who is accountable for the blatant duplicity? Where is the new dawn of accountability and transparency we were promised?

The people of Gibraltar do not want to go down this path, Mr Speaker, and they are telling us loud and clear. Unfortunately the Opposition to my right represents exactly the same interests and will provide their own brand of a similar vision for the future of this community. We need a return to the times in which Gibraltarians spoke with one voice and with one single agenda: the survival of our identity and the well-being of our people – *y punto*.

On the economy, Mr Speaker, in my path towards becoming a better public servant, I have had to dig deep, study and investigate in order to arrive at an understanding of the issues that would allow me to make the right choices for the people of Gibraltar. These decisions and policy suggestions have always occurred within a framework of constant dialogue and communication with my constituents, as I believe it is a fundamental duty for every politician to be accessible and listen closely to the concerns of those we serve and whose interests we must look after.

Unfortunately, the line of communication with this Government, particularly on economic matters has not been quite as smooth. This Government has not published its accounts since 2015 till earlier this month, May 2019. I received a copy of the latest accounts for 2016 two weeks ago. The date on the principal auditor's report was 29th January 2019, Mr Speaker – can this even be true?

I have personally checked on the website on a regular basis and it is only in the last few weeks that these accounts have been available to the public. This Government has not disclosed any credible reason for the fact that these accounts were not published earlier. Today, I am compelled to ask our Chief Minister, as our Minister responsible for finance, if he can explain to the people of Gibraltar why the publishing of these accounts has been delayed.

Just to clarify further, Mr Speaker, section 52(1) of the Public Finance (Control and Audit) Act 1977 states:

The Accountant General shall within a period of nine months (or such longer period as the Minister responsible for finance shall allow) after the close of each financial year sign and transmit to the Principal Auditor accounts showing fully the financial position of the Government of Gibraltar at the end of such financial year.

And can the Chief Minister confirm that the accounts showing fully the financial position of the Government of Gibraltar have been transmitted to the Principal Auditor for the last two years, i.e. 2017 and 2018? And if not, Mr Speaker, may I ask why not?

Is it for lack of resources? Or is it for the convenience of keeping the people of Gibraltar in the dark? Based on the expenditures seen in this year's Budget books, it is not due to lack of resources, Mr Speaker. The first step towards transparency and accountability – things this Government fervently promised – is to publish forthcoming and timely public accounts, and the absence of such will surely raise doubts about the management of our public funds. I understand that Brexit has brought about uncertainty, but not having a clear picture of where this community's public finances stand has surely added to this uncertainty.

Further, it is interesting how the Hon. Minister, Sir Joe Bossano, appears to be trying to fend off future criticism without actually addressing the issue. What is more troubling is that this has now become an 'annual affair'. We would expect the Minister for Economic Development to oversee a sustainable economy. Where the economy is at risk, I would expect him to act by curtailing spending, rather than merely continue to highlight the issue, only so he can tell us at a later date, 'I told you so'. He sounds like he is in Opposition, Mr Speaker. Perhaps he is preparing.

Mr Speaker, the Budget debate is always fertile ground to take stock of economic affairs. It is a chance to discuss the direction that we are taking and whether enough is being done to

740 successfully manage our economy and help our businesses plan for the future. A future that is now all the more difficult to ascertain due to the impending Brexit. It is also a time to review our priorities and ask ourselves whether we have got these right.

To follow are areas of concern that need to be addressed by this House, given its role as guardians of the people's interests.

745 It now appears clearer than ever that our system of government lacks appropriate checks and balances when it comes to our public finances. This Government's promise of a new dawn of transparency and accountability, after two legislatures and almost a decade in power, has clearly not been delivered. There is great anxiety within our business community that due to this lack of transparency, it is possible that our public finances are not being managed responsibly.

750 One of my main concerns relates to Government-owned companies. I ask the Chief Minister to explain the following:

Mr Speaker, after careful investigation it has come to my attention that the number of Government-owned companies has been growing in the last few years. On average a sum of £25 million has been appropriated for Government-owned companies. I also understand that 755 these Government-owned companies have not published, and perhaps do not have to publish, their financial accounts. Some of these companies have not filed abridged accounts since the days of the GSD being in administration.

The filing of abridged accounts is well known to be a statutory requirement for limited companies. Is it possible that companies that are Government-owned should be treated 760 differently to companies that are privately owned? Is there a special dispensation for this? As far as my constituents are concerned, many of whom are company owners, there are obligations for a limited company to file annual abridged accounts. Is this not the case for wholly Government-owned companies?

765 **Chief Minister (Hon. F R Picardo):** You have it in front of you. That is what the whole debate has been about.

Hon. Ms M D Hassan Nahon: Mr Speaker, I refer to the list of 34 such companies that are listed in the Draft Revenue and Expenditure Book. What is the justification for all of these 770 Government-owned companies? Is each company carrying out a different role? It appears that a number of them are property-holding companies. Is it not possible to have just one company that holds all the properties?

Indeed, can anyone in this House explain the need for the growing number of Government-owned companies that no information is published on? Who has overall responsibility for these 775 companies and who signs the accounts of these companies, if anyone does?

Mr Speaker, this is all the more concerning when a number of these companies are now big players and doing business in the private sector. Some of these Government-owned companies are estimated to be turning over millions in revenue and expenditure. We, the public, have a right to know, given that the companies are owned by the people of Gibraltar.

780 Carrying on the theme of Government-owned companies, I understand that there is a mortgage or charge over the main Government-owned company called Gibraltar Investments Holdings Ltd of an unlimited amount. This charge has been in place since 7th April 2016. Would the Chief Minister please explain why the charge has to be unlimited and does this mean that in effect all companies owned by this main holding company are also covered by this mortgage? 785 Would it be possible to know whether this charge is related to the mortgaging of Gibraltar's housing estates? And if so, how much has been borrowed by Government in place of this mortgage?

Mr Speaker, another issue with transparency is the tender system. I understand that a new procurement system has been set up for the purposes of obtaining quotations and having a 790 more efficient tendering process. Many of my constituents feel that this system is not offering them any particular advantage. There are concerns in the community that many of the requests,

and certainly the larger tenders, are being allocated to the 'usual suspects' yet again – just like the project at the Catalan Bay parking lot, where it happened that my party discovered that a developer was already pre-selling apartments even before the Expression of Interest advert was published in the *Gibraltar Chronicle*. This is just one of many examples of poor governance over the tender system.

Last year, Mr Speaker, the Hon. Sir Joe Bossano, Minister for Economic Development, Telecommunications and the GSB, stated that the rate of public expenditure of his own Government was not sustainable. In his words he said that 'on average public sector earnings are 25% higher than the UK equivalents and 50% higher than the average earnings in Gibraltar's private sector'. In the same week he said that there was no need to consider austerity in order to address this issue.

Mr Speaker, given that the public sector, both the Civil Service and the GDC, together now cost in the region of £25 million a month, or £300 million per annum in just salaries alone, and that there appears to be no intention to scale back the size of the public sector, many stakeholders in the public sector are asking questions as to the sustainability of this rate of expenditure. The Chamber of Commerce have alluded to it a number of times and so have the GFSB.

One of the issues that many of my constituents complain about is the inability to compete with Government in getting trained and qualified staff. And when they do manage to get trained staff, many leave for a much more attractive Government job. In fact, it is now believed that some business owners are now very keen to join the Civil Service. But seriously, Mr Speaker, the average wage in the public sector is now 50% higher than that in the private sector. The public sector have much better conditions of work to boot. The aspirations therefore for many of our youth are now to become Government employees. This culture of expectation does not bode well for the entrepreneurial spirit that Gibraltar has always had.

Also, it will detract from a longer-term vision that is required for the prudent management of our economy, because inflating the public sector at the expense of the private sector will only create an economic dependency which in the long run is simply unsustainable.

This does not mean we need to apply strict austerity policies or downscale our Civil Service; rather that we should rationalise our spending and invest in those key sectors that will guarantee the functioning of our administration and the fulfilment of our economic plans. This means investing heavily in those sectors that provide real quality of life and opportunities for our community, such as the health sector, in which external recruitment agencies are offering short-term contracts and undercutting wages, diluting the workforce and shutting out the employees who are contracted centrally. Furthermore, this policy might undermine our ability to continue giving these quality public services in the medium-to-long-term future, as privatisation and budget cuts are getting in the way of continuity and sensible succession planning.

In other strategic areas such as education, civil servants are complaining about stagnant wages and suboptimal working conditions. This is something I will elaborate in detail when addressing the education portfolio. We are offloading the care of our elderly to *de facto* subsidiary companies, whose employees suffer from low wages and poor working conditions. This back-door privatisation of the care service, together with a general policy of reducing costs by privatisation of key sectors of public service, is damaging the morale of workers. Across the board there are more positions taken by recruitment companies with workers on limited contracts, while the worker who has done their hours for several years may still be on temporary contracts, when they should be made permanent. To make matters worse, this privatisation process has been executed in a manner that is less than transparent – something that seems to be a constant in the dealings of this administration (**A Member:** Hear, hear.) – which further raises concerns as to the motivation behind this dramatic policy turn by a socialist government in name.

Another element contributing to the lack of motivation within the Civil Service is the current Government's trend to hire retired public sector workers, who already enjoy hefty pensions and

final salary payments, for top positions within the Civil Service. This seemingly arbitrary policy sends out the message to prospective talent that the top positions in the public sector are reserved for a caste and is therefore inaccessible to those from outside the establishment. Also, it is not surprising that those currently employed and working hard in the hope of a fair chance of promotion are reporting low motivation and low levels of job satisfaction.

Further, many promises have been made to private sector pensioners but very few have been delivered. While it is important to welcome the progress made for those at the bottom of the income bracket, it is important that we do not allow those who have contributed to the growth of our private sector – from which, let's not forget, we fund most of our public spending – to retire on what is effectively a subsistence wage, and expose to whom we owe an important part of our current prosperity to substandard living conditions.

It seems clear to me that the solution to these imbalances is not only the rationalisation of the private sector, but also the improvement of working conditions in the private sector.

Measures such as more transparent and competitive relationships between the public and the private sector, coupled with meaningful consultation on real increases in the minimum wage in line with local living costs – not of the symbolic kind as we have seen in the Chief Minister's Budget address this year – and the introduction of frameworks to ensure better pensions for private sector workers would go a long way to make careers in the private sector more appealing and dynamic for our youth. This should be done in consultation with the business community and providing the necessary support to guarantee the survival and prosperity of our small business ecosystem. This is an issue that I would like the Chief Minister to address and hear what his thoughts are.

Mr Speaker, on another note, following on from what Minister Isola said yesterday with reference to the permanent contracts awarded to the Royal Gibraltar Post Office workers, many of who were on supply contracts for years, I represented this group of employees for the last 18 months in my capacity as a Member of this House.

I would therefore like to express my sincere gratitude to the Minister and the Chief Minister for receiving us in their offices on several occasions and listening to their concerns and their realities, culminating in the award of their permanent contracts. I am very grateful to Minister Isola and the Chief Minister for their time, attention and leadership on this matter, Mr Speaker, and for both these gentlemen's willingness to collaborate with a Member from across the House in a constructive and positive spirit for the ultimate benefit of a much-deserving collective. **(A Member: Hear, hear.) (Banging on desks)**

Mr Speaker, hand in hand with the public sector issue goes the pensions issue. We are aware that current demographic trends dictate that pensions expenditure can only go up, but we have a serious imbalance in our system that needs to be addressed. The other day I met with a constituent who has to survive on £145 a month. That is the extent of her pension. Mr Speaker, even you have to agree that it is near on impossible to survive on such a measly pension in this day and age. My understanding is that the pension system, and the general welfare system that we have in Gibraltar, is there to serve all citizens and take care of them fairly, as well as providing a safety net that prevents those more vulnerable from living in undignified conditions.

Only recently did members of the Private Sector Workers and Pensioners Association take to the streets of Gibraltar to demonstrate in response to the broken campaign commitments of this administration over their last two terms of office. These commitments were clearly defined in this Government's manifesto and subsequent communications, and to this day continue to be nothing but empty promises.

We believe a more supportive stance is required in this area and certainly a much more constructive approach. The Private Sector Workers and Pensioners Association have lobbied and campaigned for over a decade, and I have always supported them in their demands for dignified living pensions. It is an absolute ethical necessity that the promises made to our elderly on this issue are honoured. This is a collective made up of old age pensioners – our parents and grandparents. They are people who have worked tirelessly to build our nation and our economy,

who have contributed dutifully to the common pot and who now feel cast aside by their institutions.

On the matter of cost of living, Gibraltar's economy we are told by the Hon. the Chief Minister is booming; that incomes are rising and our standard of living is on the up. But that is not what my constituents are telling me. They complain about stagnant wages, rising living expenses and more precarious working conditions. I am now more convinced than ever that this Government has lost any sense of priority on this matter, and is way out of touch with the average member of this community. **(Several Members: Hear, hear.)**

Mr Speaker, upon turning to the Housing portfolio, I must first take this opportunity to thank the Hon Minister Samantha Sacramento for making herself available to me whenever I have brought to her constituents with issues. *(Interjection)* However, Mr Speaker, I have to bring to your attention that as an Independent Member of this House who shadows all portfolios and has seen hundreds of constituents in the last year alone, the bulk of the issues that land on my desk are those relating to the Housing portfolio.

As of this week, Mr Speaker, according to the Action for Housing representatives we have spoken to, there are over 650 individuals or families on the waiting list for one-bedroom homes. Some of the people who are on this list have been waiting for a Government-rented home for over five years.

Despite calls by industry experts in Housing, there is a massive shortfall in the stock of affordable rental accommodation, and those in need of these affordable homes are finding themselves squeezed out of a housing market that is plagued with bad practices and is becoming severely bloated and ineffective. **(Hon. D A Feetham: Hear, hear.)** *(Interjections and laughter)*

I am on my own here! Any credit is most welcome when you are a minority Member! *(Interjections)* Excuse me, Mr Speaker.

Housing prices have made it impossible for people on low incomes or on a private sector pension to rent in the open market. A standard studio apartment today is fetching upwards of £900 per calendar month. A standard one-bedroom apartment commands in excess of £1,500 per month. I will not even tell you, Mr Speaker, what a three bedroom apartment is being rented for, for I dare say even you on your salary will balk at the rate.

The point I make, Mr Speaker, is that due to a lack of investment by Government in the area of affordable rental accommodation, many of Gibraltar's hard working and deserving citizens are simply unable to rent or buy a decent home. Let us not forget, Housing is a recognised human right, as stated by the United Nations' Universal Declaration of Human Rights – Article 25. Gibraltar's Housing issues may stem back from certain historical decisions and administrations, and undeniably suffer structural challenges, but it is becoming increasingly clear to the people in our community that major reclamation projects, aimed mainly at the privileged class, are taking priority over the needs of our most vulnerable and needy. **(Hon. D A Feetham: Hear, hear.)** *(Banging on desks)*

There needs to be a balance, Mr Speaker, between the interests of real estate speculation and Cat 2 residents, and the needs of working class Gibraltarians who are being expelled from their own communities. More funding and focus needs to be given to this issue, and our people need to feel that they can actually afford the so-called 'affordable housing' when new schemes are made available. At present, anyone who sees the price tags of 'affordable housing' and believes they are in fact affordable, is way out of touch with the reality of working-class Gibraltarians. **(Several Members: Hear, hear.)** *(Banging on desks)*

Mr Speaker, I would also take this opportunity to seek clarification from the Chief Minister on where in the Budget book he has factored in repairs to the faulty floors of Beach View Terraces given that residents of the Estate were told – a day before my party and I visited them – that their floors would be fixed, at an estimate of around £1million or so, I am told. *(Interjection by Hon. Chief Minister)* The day before. There was an announcement the day before. Maybe the promises have been going on for three years, but the last one was the day before we went.

Housing loans, Mr Speaker: in his Budget address, the Chief Minister has made reference to a new deal which will see Government's equity in co-ownership estates sold to a new private company. I will not judge this deal either fair or foul until I have seen the details. It has become customary for the Chief Minister to announce details of this sort in his Budget address, as he did with the £300 million mortgage on the Government estates two years ago, and indeed it may be appropriate for such monumental deals to be revealed for the first time in a Budget debate. However, it would be remiss of me to welcome such an announcement before the finer details of it are laid bare before this Parliament and to the community in an open and transparent manner, as it would be remiss of me to shoot it down again, without knowing the finer details, so I shall reserve judgement until I have had the opportunity to scrutinise it with my team, as is my job to do.

Mr Speaker, on Equality, I was pleased to hear my hon. Friend, the Minister for Equality this morning manifesting her commitment to explore measures to introduce paternity leave as part of her remit. As you may know, my party Together Gibraltar has similarly already committed to introducing paternity leave and rights, should we come into office.

I do not need to say how vital such a move would be. If we truly want to call ourselves a fair society, we have to legislate in this direction in order to be able to truly provide equal opportunities. Introducing paternity leave would, for a start, lead to a change of mind-sets in our society, and would inevitably be a good first step towards closing the gender pay gap, among the many other documented positive effects, as we know from countries that have adopted such legislation. That is what I call real equality Mr Speaker, and nothing less will do.

Mr Speaker, to sum up my observations on economic affairs, I would like to advocate for a bolder vision for our economy. Most of our economy is sustained by a small number of key sectors, some of which have come under attack in recent years. It is therefore important that we make sure that we are not excessively reliant on any of these pillars, and that we diversify our economy enough to be able to withstand sudden change.

The conditions of the recent Tax Treaty with Spain are arguably punitive, and the implications of this treaty are not yet being fully felt. If this a sign of things to come, our financial sector might have to start operating under more stringent conditions and our hard-earned status as a competitive, low-tax jurisdiction might become jeopardised.

We have a gaming industry which has recently suffered the loss of Bet365. *(Interjection by Hon. Chief Minister)* We have a gaming industry which has recently suffered the loss of 500 jobs from Bet365. That is despite assurances from both the company and Her Majesty's Government that they were staying. The loss of 500 jobs approximately is substantial. However, we are not aware of how many of these jobs were local Gibraltarians. Would the Chief Minister be able to confirm the numbers on this? **(Hon. Chief Minister: Twenty-eight.)** If he says so.

The gaming industry has been a net provider to Gibraltar but we need to be sure that these companies are committed to Gibraltar for the longer term.

Mr Speaker, everyone in Gibraltar knows that tourism is the one industry that we can really grow in, and one that is relatively free from external pressures. Unfortunately, not enough is being done in this area, Mr Speaker. A strategic plan is overdue. What kind of destination can we be and what can Gibraltar aspire to? These are questions that many have been asking in two terms of this current administration, when they realise the true potential of our tourist product. I appreciate the Skywalk and the suspension bridge, but there is so much more that needs doing, Mr Speaker, in order to lure tourists looking for more than the basic tourist product that we have offered for many decades.

The Port of Gibraltar should also become a major sector of our economy and one that we can operate and manage freely and independently of extraneous threats. Although it has seen improvements in recent years, I believe more needs to be done to improve and maintain this business, thus creating new and more sustainable economic pillars that can guarantee our autonomy and increase our economic resilience.

Mr Speaker, I now turn to the Health portfolio and its issues, but before I immerse myself in this most vital portfolio, I would like to thank my good friend, the Hon. Neil Costa, Minister for Health, for always making himself available to me and my constituents so that I can help the people of this community. I appreciate the good work of the Hon. Minister opposite me, and that of his staff, from Evelyn Cervan to Martin Ullger, and Karl Tonna, on the Justice portfolio, who never fail me when it comes to assisting others, Mr Speaker. (*Banging on desks*) And I say this in particular because I find it crucial to highlight the excellent treatment on a human, one-to-one level between a Minister and his officials towards a Member of this House and her constituents. However, Mr Speaker, this welcome reality sadly does not deter from the systemic issues that I am duty bound to highlight – issues that to my mind are the most salient and pressing from within the Health Authority.

Mr Speaker, it is unfortunate to have to report that the Gibraltar Health Authority under a GSLP/Liberal Government has seen the worst morale of its employees in recent history. Audits have proven that spirits are at an all-time low with the exploitation of agency workers, and the incidence of protests and high-profile tribunals speak for themselves.

The GHA has increased and paid out a huge chunk of our budget to help develop services across the bay, with Quiron Salud taking a substantial sum of our referrals, in place of investing more in facilities on Gibraltarian soil. There are services which are hanging on by a thread, Mr Speaker – for example, the urological service, which has no adequate cover on most nights and has not even had a full-time consultant post occupied since March. Instead of investing on building our own self-sufficiency, we are, Mr Speaker, throwing away taxpayers' money across the border to replace our lack of foresight, and putting our short-staffed workforce under immense stress and suboptimal practices.

As an alternative to investing on its facilities, the GHA has increased exponentially its numbers of managerial posts to the point that some senior managers hold conflicting roles. This policy allocates a massive workload on a single person, but obviously a massive pay-cheque too. Again, substandard solutions at a cost to the public, Mr Speaker.

The administration of the affairs within the GHA sadly reeks of short-termism, with quick, rash measures being implemented to cut on expenditure – but at what cost, Mr Speaker?

In the 2015-16 Budget speech, the GSLP/Liberal Government announced that its doctors would be 'validated by the greatly respected General Medical Council' – a 2015 Manifesto commitment. Shortly after then, I extensively quizzed the then Minister for Health, the Hon. John Cortes, on how the GMC was going to work, with all the challenges it would present. I was assured all the mechanisms were firmly in place for a soon to be fully functioning GMC framework.

Since the implementation of the Medical and Health (Licence to Practise and Revalidation) Rules 2014, Government has failed to deliver a robust GMC structure locally. Not only have they failed, but they have created loophole after loophole and increased the transition provisions period for doctors who could not meet the requirements set out in the UK. Actually, this transitional provision for these doctors was changed three times in 2016, again in 2017, two more times in 2018 and again this March 2019 – a total of seven changes and extensions to this rule. In almost five years they have not been able to ensure that all of our doctors, inside and outside of the hospital, meet the standard!

Moreover, we are paying out for a responsible officer who forms part of the Clinical Governance with a generous salary, when the doctors and surgeons who we refer to in Quiron Salud, for example, do not have to meet these GMC standards. Mr Speaker, who on Earth concocts these fantastic ideas?

Some of the staff in these hospitals cannot be guaranteed to speak English to our patients. And in the end, who pays for any negligence or GMC unregulated practices in Spain? Our people, Mr Speaker. That is who. (*Interjection*) Are you comparing me to ...?

The problem here is mis-distributed increases in personnel, too many captains, with questionable demeanours, trying to run a hospital to the ground by exploitative staffing levels,

1050 zero-hour contracts via agency workers whose bosses are massively enriching themselves, and relying more and more on our neighbours instead of investing in our health service.

On the bright side, Mr Speaker, after extensive and careful discussion with the Health Minister on the topic of alopecia and its sufferers, an issue which I brought to him during the course of this year, I am proud to report that alopecia sufferers are now seeing the start of a policy which will support them through psychological support via counsellors recommended by the GHA dermatologist on diagnosis of the condition, as well as financial support for wigs, which is a crucial need for sufferers to maintain their dignity and high spirits in what is a life changing condition.

I thank the Minister for Health for this, for his empathy and for acting so quickly and diligently to the needs of a small number of people in our community who he may not have been made aware of until then. (*Banging on desks*)

Further, Mr Speaker, while I do appreciate the good work carried out by the Hon. Minister for Health on the portfolio of the elderly and dementia care, I have to highlight that we can do more, Mr Speaker. I take this opportunity to congratulate Daphne Alcantara and the wonderful work she does with GADS. But Mr Speaker, we need our Government to do so much more. Dementia is a world-wide epidemic, people are living longer, and the elderly are needing more care, more support, and if we do not have a long-term plan for them, we will be failing our most vulnerable.

We owe it to our elders to ensure that we have a sustainable plan going forward which will secure their well-being and minimise their loneliness. This includes assisted living in particular, which will allow people living with dementia to live at home for longer and have staff available to assist them 24 hours a day. And let's not forget, Mr Speaker, that most of the residents in Mount Alvernia have dementia. The place is old, in great need of repair, new beds, new facilities. Mount Alvernia needs upgrading and maintenance; it needs to be dementia friendly; the same as the purposely built Hillsides and John Mackintosh Home. When will this happen?

My vision for people living with dementia includes dining halls, social activities every day, not every now and then, where residents can gather if they wish to eat their meals and stimulate their minds and each other's. Our elderly deserve no less, Mr Speaker. As we know, budgets are always priority led and where some administrations prioritise development, capital projects and construction, my party, Together Gibraltar, commits to a cohesive, long-term care plan that will combine housing, support services and healthcare in one's own home or apartment, as a matter of extreme priority and urgency, and we shall be rolling out our policies to that effect in our upcoming electoral manifesto.

On the topic of abortion, Mr Speaker, I shall not elaborate today on this issue given that an amendment to the Crimes Act Bill will be presented to the House imminently and we will have time to debate it then. But I feel I must say during the course of this address that I commend Government for bringing the Bill to this House, albeit decades late. I hope we can continue to treat women's sexual health as a women's healthcare issue, where we will eventually learn as a society that not having pro-choice legislation does not actually stop abortions, but only stops safe abortions and stigmatises those who want to exercise this thoroughly recognised human right.

Despite the welcome advances brought forward by this legislation, I observed with grave concern that on 30th January this year, four male Members from across this House signed an anti-choice petition aimed at stifling the realisation of this long overdue legislative change. This was presented by the Hon. Dr John Cortes on behalf of the Hon. Mr Albert Isola, with the support of the Hon. Mr Daniel Feetham QC and the Hon. Mr Edwin Reyes.

Mr Speaker: The hon. Lady, if you are speaking about what you understand is a Bill that the Government is introducing later on in Parliament, are you not anticipating that, when what we are discussing are the estimates of revenue and expenditure for this year?

Hon. Ms M D Hassan Nahon: Mr Speaker, can I ask respectfully if other Member of this House have been stopped discussing Bills?

1105 **Mr Speaker:** And also to highlight at this stage who signed and did not sign a petition that was tabled here some time ago, I honestly think that that is beyond the limits of the proceedings this afternoon.

1110 **Hon. Ms M D Hassan Nahon:** Is it? Are they ashamed of it, by any chance, that we cannot mention their names?

Mr Speaker: I think so. It is something that you could well bring up if the Bill comes to Parliament, it is something that you can then well bring up during the course of your intervention.

1115 That is the proper procedure, in my view. *(Interjection)*

Hon. Chief Minister: Mr Speaker, if it is of assistance to the hon. Lady and to the House, I think there would be a dispute as to information. I understand that Members did not sign the petition; they presented it for the petition.

1120 **Hon. Ms M D Hassan Nahon:** I didn't say that.

Hon. Chief Minister: I am afraid I think the Hon. Lady said that it had been signed. They had presented it, for sure, but before, she said signed.

1125 So if it is a point of agreement across the floor, then there is no point of order. I think it may be helpful to the hon. Lady if I was to indicate to her that she will have a very good opportunity to set out all her views in that respect very shortly in the House, so it may be in her interest to follow the Chair's advice in this respect, because this Bill is just about the estimates. Of course, about the state of the nation as well; she is absolutely right therefore to want to talk about
1130 other issues which are extraneous. Can I just invite her to perhaps make those points not about the Bill. If she does not talk about the Bill and she is talking about abortion and the debate on abortion, but she does not talk about the Bill, then I think she is probably on safer territory.

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank you and the Chief Minister for that steer. I retract where I said 'signed'; I meant 'presented'. I still wonder whether other Members of this
1135 House have been allowed to go further than me in discussing Bills during these addresses that they have had, but I am happy to leave it there.

Mr Speaker, on the matter of drug addiction, I turn to the Minister of Health, who is at the same time the Minister of Justice, something which is of convenience when addressing this
1140 particular issue. In the interests of social justice, and also the advancement of our community, and the improvement of our social standards, I am on record for stating that small amounts of some drugs caught on individuals should be decriminalised. Mr Speaker, this policy idea is nothing new, it is being seen across the world in countries that are progressing and doing very well in terms of improving their society by helping addicts, and it is a policy idea that is currently
1145 at working group stage within my party, with members comprising of law enforcement workers, drugs strategy workers and mental health professionals.

Nevertheless, we have endured scathing remarks from the hon. Member to my right, Lawrence Llamas of the GSD, going as far as to ask me publicly to retract my party's policy – thus
1150 manifesting some worrying authoritarian tendencies – only to watch him applaud a retired drug strategist advocating for decriminalisation weeks later. Quite incredible, Mr Speaker.

It was also only two weeks ago when I had a heated debate with the Chief Minister himself, who described my policy as dangerous. This is what I have to say to them both:

What is dangerous, Mr Speaker, is the lack of counsellors, while the Chief Minister announces two new positions, when all Government is doing is replacing two lost positions.

1155 What is dangerous is the broken procedure into Bruce's Farm, both for detox and admissions.

What is dangerous is this Government and GSD Opposition's assertion that it prefers to punish addicts than to rehabilitate them.

What is dangerous is our juveniles in Prison and our supposed state-of-the-art 'cycle for change' programme which needs to cycle itself out of prison as fast as it can and be replaced.

1160 What is dangerous is children with criminal records that then preclude them from ever redeeming themselves and becoming upstanding citizens and job holders in later life.

What is dangerous is having just one drug addiction doctor for our entire community.

1165 What is dangerous is having a place like Ocean Views used for detoxification purposes, when what we need is a designated centre for detox, open 24/7, instead of having to rely either on Ocean Views or A&E, which cannot cope with the patients and often have to turn them away. I know this because I have lived this over and over with constituents who, after bravely trying to put an end to a lifetime of drug abuse, are left alone and lost, with the door being literally slammed in their faces and the ghost of temptation waiting round the corner.

1170 What is dangerous is that apparently the City Hall be used as an outpatient centre. What is the message we are sending out there, Mr Speaker?

What is dangerous is that after 3.30 p.m. one cannot find a drug outreach worker, let alone on weekends.

What is dangerous is that this Government's drug strategy dates from eight years ago, and in practice amounts to very little.

1175 Mr Speaker, where are the experts and strategists? Are these people getting paid for their services? What experience do they have? Who are these consultants and why don't they show their faces?

1180 What is dangerous is the lack of funds directed at the drugs rehabilitation portfolio, while we build properties for the wealthy and allow the underprivileged to get thrown in jail and stigmatised for life.

What is dangerous is Minister Costa saying one thing on decriminalisation and the Chief Minister saying another.

1185 What is dangerous is the non-existent drug and alcohol workers who should be working alongside the Police within the police custody suites. There is no arrest and referral, Mr Speaker; just a jail sentence and the vicious circle of petty crime, and nothing more.

What is dangerous is the lack of drug and alcohol workers within the Care Agency and the Court Services.

1190 What is dangerous is having long lists into Bruce's Farm as well as no overall patient supervision post-Ocean Views, leading people to literally throw themselves out of their windows. Mr Speaker, only yesterday, a painful video was doing the rounds via WhatsApp of one of our citizens begging Government to be accepted into Bruce's Farm after being turned away, warning anyone who cared to watch it that he was on the verge of suicide. If that is not a testament to a failed drug strategy and failed mental health services, Mr Speaker, then I honestly *do not know what is. (Interjection)*

1195 What is dangerous is Government boasting that this budget is for the people, while our most vulnerable are denied elements of basic care and essential social support.

1200 Mr Speaker, general mental health services and support are also sadly lacking. We are still failing on delivering a robust policy and framework that is there to embrace the mental health sufferer and help them heal, through easily accessible programmes, services and tools. Mr Speaker, mental health should be a priority for any Government that wants to advance a society because a society without the adequate mental health support services is a broken society.

Mr Speaker, I spend much of my time nursing mental health patients during the week and on weekends, who have no other place to run, and it is truly heart-breaking to see that there are no

1205 structures in place to give them the care they require. A designated help line is a welcome addition, but it is simply not enough.

On the medicinal cannabis issue, Mr Speaker, just over two years ago, I proposed a motion in relation to the provision of medicinal cannabis to suffering patients. My motion did not succeed – I did not get one vote – and many in this House alluded to a lack of consensus in the
1210 medical literature to make that decision. Today it seems like things have changed. Despite not having seen any major breakthroughs in investigation since then, suddenly the idea has become palatable to these same people.

Coincidentally, the cannabis-derived industry is booming worldwide, generating neat profits for those who invest in the sector. It seems that it has been this, and not the suffering of
1215 patients that has spurred this Government into action on this issue, Mr Speaker. It seems like my proposals, motivated exclusively by the advances in medicine and the needs of patients in severe distress, are no longer worthy of scorn – it seems to me like, yet again, profit trumps the well-being of people. In any case, if it means my constituents will get access to better medication, I welcome this development.

Mr Speaker, on justice: with reference to the Justice portfolio, earlier this year, my party proposed a four-point plan in relation to assisting families of victims of crime when the associated criminal is due to come out for parole. I believe it is vital to move on measures like the ones we proposed in order to enfranchise victims and their families into the parole process. A caring community, and especially a small community which is not anonymous, like ours, needs
1225 directives in order to provide victims and their families the time and processing they deserve in advance of a convicted criminal coming out of jail and I hope that our proposals, or similar ones, are adopted shortly, Mr Speaker.

Mr Speaker, my party believes that Gibraltar's justice system needs to serve the people of Gibraltar. It must be fair, accessible, and enjoy the confidence of everyone. In legislating on
1230 Justice matters, we will ask of any proposal: will it increase fairness? Will it make the system more accessible? Will it improve confidence in the system?

Mr Speaker, we have to be honest about the system's failings. There is community disquiet about our criminal justice system. Justice can be expensive – too expensive for those who need to access the system. We have also an obligation to be honest about what can be achieved.

Mr Speaker, my party would propose the introduction of a conditional legal aid fund. The unfairness of both the criminal legal aid and civil legal assistance systems are well known and widely acknowledged. The eligibility threshold for legal assistance is so low as to make it worthless to most working Gibraltarians. The criminal system does not pay lawyers properly to defend cases.

Too often, discussion of reform has centred around trying to squeeze more from the existing public purse. My party, Mr Speaker, believes that we need to be imaginative about this. There is a system that works in places like Hong Kong and Western Australia – places with a similar legal system to ours. It asks those who benefit from the system to contribute towards it, thus bringing a new stream of funding into the system. We would look at how it can be introduced in Gibraltar
1245 as a matter of priority.

Another issue that my party would address, Mr Speaker, is that of short-term judicial appointments. We consider it very harmful that judges are appointed on time-limited contracts. What legal practitioner would give up their practice, Mr Speaker, if they might find themselves out of a job in four years' time? That is leaving aside the vulnerability to arguments that short-term appointees may not be properly independent.

We will make sure that ordinary judicial appointments are made to the constitutional retirement age of 67. If the level of court business requires further judges, acting judges under section 63 of the Constitution will be appointed, rather than puisne judges.

Mr Speaker, turning to the issue now of how we deal with crime in Gibraltar, in general we
1255 are all thankful that Gibraltar is a low-crime community. But we cannot be complacent.

It is easy for politicians to engage in 'get tough' rhetoric; but how we keep people from getting involved with crime, Mr Speaker, how we rehabilitate and punish those who do get involved, is too important to be left to party political games.

1260 Mr Speaker, my party will look to establish a commission, with experts, and involvement from civil society, to examine the issues of parole, sentencing, rehabilitation and crime prevention in a holistic way, and to advise Parliament. We will invite that commission to look around the world for imaginative measures, and to look at whether they would suit our community.

1265 Of course, Mr Speaker, the ultimate decision must be taken by Parliament, by MPs accountable to the community. But that does not – should not – mean that Parliament cannot benefit from the wisdom of others.

1270 Another matter on which it is worth drawing on the wisdom of others is on the arbitration of commercial disputes, which is widespread. A number of international arbitration centres exist. My party will examine whether a Government-sponsored arbitration centre in Gibraltar could work, to bring business into Gibraltar.

We will also take steps to implement a government-sponsored mediation service for family and matrimonial disputes, in order to assist separating couples to reduce the conflict and expense that almost inevitably accompany the breakdown of a relationship, both for them and, crucially, for any children of the relationship.

1275 Mr Speaker, another issue that my party will address is that of how the disabled and elderly are accounted for within the justice system. Mr Speaker, it is important that we value every member of the community. Disabled people are entitled to the assistance they need to be able to participate fully in the life of our community. The elderly are entitled to the care they need to live with dignity, Mr Speaker, and we will enhance the safeguards that exist to protect disabled or elderly people who lack capacity to take certain decisions for themselves.

1280 We will never subordinate respect for their independence or family life to administrative convenience. To the extent that their liberty needs to be restricted, we will look to ensure that that is subject to the approval of the courts, and enhance the right of family members to be involved in such proceedings.

1285 Mr Speaker, the Government must be congratulated for its recent proposals to reform our divorce laws, in order that the focus of divorce proceedings ceases to be the ascribing of blame to one party or another. We wholeheartedly agree with the proposed reduction to the minimum period of marriage required prior to presenting a petition to divorce.

1290 Mr Speaker, it is no secret that I am against the enlargement of Parliament in the way it has been presented and with the little consultation we have been afforded. Having already made my issues clear, I take this opportunity to ask of the Chief Minister to continue to deliberate on this reform and not to rush into something which will substantially modify Gibraltarian democracy for generations to come, when we can instead consult on it more widely in the following electoral term when all parties can present clearly our own models for this fundamental change in our model of representation.

1295 Turning to education, Mr Speaker, I firstly thank the very approachable Hon. Minister John Cortes, who is always available to clarify matters or lend a hand with constituents who approach me in need of assistance. As for education in general, Mr Speaker, this electoral cycle has possibly been one of the most stressful, disenchanted and disruptive periods for teachers and for students in a very long time. Although there are things for which Government must be credited, there are grave and concerning issues that have surfaced during this electoral cycle that cannot be ignored.

1300 Considering that this is likely to be the last Budget speech of the current cycle before the next general election, an evaluation of the current administration's track record in education since 1305 2015 is a democratic necessity in order for the electorate to measure how much value has been added in real terms to the education of our youth.

Government must be congratulated for its substantial investment in educational infrastructure. The commitment to building a total of eight new schools is something to be applauded, but many are asking themselves whether such an ambitious project needed to be undertaken in such a short period of time at the expense of the quality of teaching and learning in our schools.

Teachers and students cannot perform at their best in times of great upheaval and instead of recognising this and mitigating the potential adverse effects of introducing coeducation, aligning the key stages and moving to new buildings simultaneously, the Government has chosen to ignore the concerns raised by teachers via their union time and time again and used the Department of Education and senior management to bulldoze ahead with their plans. This lack of consideration of and respect for the expert knowledge of teachers as important stakeholders in education is where much of the present discontent stems from.

Governor's Meadow and Bishop Fitzgerald will be rebuilt where they stand. In the interim, they will be relocated to the present St Anne's and Bayside schools once these migrate to their new-builds in Laguna and Waterport respectively. Plans to house Governor's Meadow school on the Rooke site as part of a wider project have been abandoned for reasons unknown.

The Bayside/St Anne's project gave way to commercial interests in the area, which displaced the plan to house St Martin's next to Notre Dame. St Martin's is currently being built to the detriment of Westside students and the wider community who lost their external sports facilities. I think everyone would agree that St Martin's is a priority, but it was also a priority in the 2015 manifesto and not a single brick was laid in over three years. It is disappointing to see the project being rushed to the detriment of many by a Government that has clearly not prioritised the education of vulnerable children and are now opportunistically seeking to tick a box in their manifesto.

The decision to co-locate Bayside and Westside schools at Waterport Road raised valid concerns from teachers and their union. Many of the most educationally sound concerns remain unanswered and have been met with a wall of silence from the Ministry of Education and the Chief Minister. The message is usually one of: 'everything is under control' and 'we know what we are doing so it will be okay'. No amount of parties will fix the broken lines of communication until teachers can once again trust their Government. Judging from the reaction of teachers at the protest outside No. 6 where the Chief Minister was greeted with the chant 'No more lies!', a lack of trust is more than evident and quite justified given recent events with PWC.

The size of both of these schools should worry not just teachers, but parents alike. Over 2,500 students in a campus-style mega site is contrary to what most educational experts would advise when constructing secondary schools. The trend is now to build smaller schools where the student-to-teacher ratio is lower, leading to improved levels of teaching and learning, and where incidences of violence and/or bullying can be identified and tackled more effectively than in a massive institution where the crowd can facilitate anonymity.

However, once again the Government bulldozed their project forward without listening to teachers because what matters are the release of land and commercial interests and not the needs of our teachers and students, Mr Speaker. *(Banging on desks)* **(A Member: Hear, hear.)** What is the point of having two identical, coeducational secondary schools side by side? Would it be logical to have two identical police stations or two identical hospitals next to each other? Of course not, but they could not just build a single mega-school after the political spin and party machinery aimed at discrediting the Opposition's idea, only to do the same themselves, could they? *(Interjections)* He finally realised! Instead, they are disguising it by having a wall in between and painting both schools in different colours. *(Interjections)*

Not to mention, Mr Speaker, the discord with the purported environmental credentials of a Government aping to have a green agenda, while no doubt creating mayhem traffic-wise, and major security issues, when just under 300 souls will have to navigate daily to the same spot, an area where already there are several housing estates, a power station, an airport a stone's

throw away, and a new housing estate recently announced about to be constructed. The mind boggles, Mr Speaker – honestly, you just can't make it up!

1360 And believe me, Mr Speaker, as a mother of four children who will just about all be in the school simultaneously, I can tell you mine and the similar concerns of hundreds of other mothers and fathers, are very real indeed.

1365 In addition, Mr Speaker, the Government said that the competition that will arise between both schools as a result of their proximity will be a good thing. We believe that there is a real danger of one school adopting the practices and methods of the other as soon as it begins to lag behind in terms of performance to avoid the label of 'the bad comprehensive'. This is likely to kill the spirit of healthy competition. Considering the decision to align the key stages and introduce coeducation, an alternative and logical solution would have been to have a lower secondary school, an upper secondary school and a sixth form college housed in separate locations. That
1370 would have been a truly revolutionary move in education. A solution that was completely outside the box and which put teaching and learning first and not the interests of speculators and contractors.

Security in our schools is a very important issue where we feel Government is failing. Education still does not have a zero-tolerance policy. Our students and teachers could be at risk
1375 and the Government has done very little to implement legal safeguards to prevent abuse. Many Civil Service and public sector departments have a zero-tolerance policy, yet after seven years of GSLP/Liberal Government, Education does not. No amount of gates and security doors can ensure the safety of our youth and teaching professionals without legislation to accompany them. Physical barriers may not deter as many people as the fear of prosecution.

1380 In terms of the organisational review at the Department of Education, very little has happened except for the addition of an extra Education Adviser after reviewing the role of the Junior Education Adviser. The Department of Education is still not a policy-driven department and the advisory team acts more like a mini-OFSTED than provide an advisory service.

Their role is viewed by many teachers as one of enforcement rather than one of support.
1385 Whether that is a reality or not, that is the perception from a substantial number of teachers who we have spoken to – I bring you the voices of a substantial number of teachers and all that the Members across the floor are doing is proving us right, that they think they know better. *(Interjection)* Exactly.

The staff at the Department of Education must remember its own teaching roots and begin
1390 acting like leaders and not managers. The *status quo* must change.

The recent pay dispute is a complex issue, but since it has been played out in the media there is little to infer. Teachers have made valid arguments in our opinion to have their basic salary adjusted to reflect their real and unseen workload, to close the salary gap with other similar professions in Gibraltar, and to be valued appropriately using a jurisdiction similar in economic
1395 prosperity to Gibraltar.

It is clear from reading the exchanges in the media between Government and the NASUWT that the percentages sought are not as high as the Government has endeavoured to put into the public domain. Not only has the NASUWT demonstrated that the percentages sought at each level of the basic salary scale are significantly lower, but they highlighted the Chief Minister's
1400 own admission of having inflated Civil Service and public sector wages by as much as 40% above parity.

Teachers are correct in feeling that the Government treats their claim with disrespect and contempt, when they see the inflated salaries of other public servants; inflated with allowances and guaranteed overtime, which is irresponsible and unsustainable by all accounts. But having
1405 appeased others with such freebies, teachers now feel discriminated that they should bear the brunt of austerity measures, PWC audits and the so-called cries for reasonableness. My party, Together Gibraltar, would certainly sit with the representatives of our teaching professionals and iron out an agreement of mutual benefit. Valuing teachers without the need for back-handers in the form of hidden allowances or guaranteed overtime is paramount. Teachers do

not want that. They want their salary to reflect their qualifications and professional training, their seen and unseen workload, their importance for our economy, and their unwavering hard work in the academic and vocational training for our youth. (**Hon. D A Feetham:** Hear, hear.)

On vocational training, education and apprenticeships, the Government's track record is simply *abysmal*. This, despite the Hon. Minister Bossano's words during his own Budget speech, just two days ago, where he said, 'We will continue to provide apprenticeships and training.' Mr Speaker, I believe that on this rare occasion, I can speak for this entire side of the House and ask: 'Where on earth is this taking place?' Because we just cannot find it and neither can anyone else who is looking for it, Mr Speaker! The system continues to fail those young people who are not academic, but who may have other skills and talents that remain untapped to the detriment of the economy and society.

Apart from the promise that vocational education would be introduced at secondary level at the new schools, nothing has been done in terms of provision of quality non-academic training or apprenticeships. Teachers who have approached us over the past few months have expressed concern over the lack of information given to them about vocational courses they will be expected to manage or teach, supposedly as from September 2019. The advisory team at the Department of Education has assured teachers that vocational education would become a reality in September 2019, with courses ranging from hair and beauty to agriculture.

It has come to our attention, however, that the Department of Education has failed to obtain accreditation from the various awarding bodies for these courses and has had to seriously downscale its proposal. Obtaining accreditation from prestigious examination boards is not something that can be done overnight. There is a process. The examination centre has to meet certain criteria and have a proven track record. Likewise, the centre needs to have specialists to deliver and assess these courses.

Whoever assured Government that it could be done in such a short period of time should be given a serious talking to, Mr Speaker, and Government should start engaging real educational experts if it wants to restructure education successfully. This is yet another example of Government putting the cart before the horse to the detriment of our youth, Mr Speaker. Vocational training needs to be given a serious injection of cash to provide an attractive, meaningful and sustainable avenue of employment to those people wishing to have a trade. There needs to be a balance between academic and vocational education and for the system to be truly objective and meritocratic.

The mental wellbeing of our students and teachers is very important. Various initiatives have been implemented by the Ministry of Education in the recent past. These are a great start, but we believe that so much more needs to be done. Engaging four school counsellors should be the tip of the iceberg. We would like to see at least 15 full-time counsellors – one for each school – available for students and teacher's alike if the need arises. The Government needs to address the issue of excessive assessment from an early age.

We need to have more formative assessment and less summative assessment, which causes so much stress and anxiety among the young generations. Learning needs to go back to being fun where possible and not the object of dread. Assessment should be a chance to prove what one has learned and not something that keeps you awake at night and causes a panic attack the morning before, for fear of the consequences of performing badly. We need to address this as well as the workload of our teaching professionals, who are burnt out. We need to put the teacher back into the classroom and remove all the unnecessary administrative tasks that we ask them to do.

We need to allow them to do what they do best without expecting them to also be jacks of all trades and drown them with unnecessary tasks like collecting data to track student achievement and behaviour, which nobody knows what it is used for or how it enhances teaching and learning now or in the future. Government has to take stock of this and stop pretending everything is peachy in Education.

We need a roadmap, Mr Speaker, for Education for the future. Once all these shiny new schools open and are operating, what we need is a clear vision and plan for the next 20 years. It is vital for the well-being of our children and piecemeal solutions are not the way forward. Together Gibraltar will provide this vision in our upcoming manifesto programme for Government, Mr Speaker.

Mr Speaker, Gibraltar is strong and vibrant. However, we are risking far too much by continuing to delay taking the hard decisions because of a lack of courage and political will to fix what is inherently wrong.

We must address our reliance on tobacco that has only deepened during the last decade. We must address a strategy of overdevelopment that benefits the few at the expense of the many. We have to revise a Housing policy which leaves heaps of properties and neighbourhoods empty or in decay. We must tackle our economy's reliance on an ever-enlarging civil service. We must deal with cronyism and a chronic lack of transparency in accounting for our borrowing, revenues and expenditure.

We have to overhaul investment and spending practices so that Government receives best value with no leakage to friends and family on the way.

We cannot continue to favour investment over maintenance. If something is worth building, it is worth operating and maintaining effectively. It cannot be all about cutting red ribbon. We can't continue to brush these burning injustices under the carpet, while expecting that the day of reckoning will never come.

We need a Government and an administration that is prepared to take the hard decisions. We cannot have a Government that will continue the *status quo* and only deepen these problems further, delaying the inevitable and damaging Gibraltar beyond measure.

This year marks the 50th anniversary of the border closure, Mr Speaker. In this event, we remember the pain and suffering that this brutal and arbitrary apartheid inflicted on our community, and we also honour the conviction-driven leaders that were brave and generous enough to set aside their differences in this time of need and work for the common good. There was only one agenda back then, because we were a united, cohesive and ably represented community. This agenda was the agenda of the common good.

The agenda of achieving widespread prosperity, dignified working and housing conditions for all, and most importantly the survival of our identity and way of life. Today our political landscape is much more polarised, and our society is not nearly as cohesive. Economic interests, coming from near and far, have permeated the spheres of power and created a Gibraltar that many in this community have trouble recognising.

This new vision for Gibraltar appears to have pushed to one side that all-encompassing political agenda in favour of luxury developments and unbridled economic growth, albeit an economic growth that very rarely trickles down to the average citizen. In the process, we are dilapidating our most scarce and valuable resource – our limited space – and our general quality of life. Most people in this community today recognise that this economic model has brought disruption, pollution, congestion and discomfort to their lives, and fail to see the profits of the trade-off.

Many of our constituents begin to envisage a Gibraltar cluttered with high-rise buildings, luxurious marinas, and fancy real estate developments – with all that they bring – and they are far from enamoured by this vision. There can be no progress without provisions for equality, sustainability and the happiness of our people. No economic development merits the deterioration of our quality of life.

Mr Speaker, I have to save the best for last. Firstly, I would like to join the other Members of this House in extending my condolences to the families of those who have passed on, like Mr Frank Bado and Ian Laide, two great servants of our community, so I keep hearing, who I unfortunately never had the privilege to meet.

I must, however, add to that regrettable list by remembering the wonderful Ruth Dudley, a true angel, who worked tirelessly and assisted everyone she ever could in her department at the

tax office and outside of it (*Banging on desks*) – someone who has left a massive void in those of us who were lucky to know her.

1515 Mr Speaker, after four very privileged years serving this community, I would like to thank the members of staff in this building, from Frances, to Daniel, to Kevin and to the wonderful Paul Martinez, who have never flinched at my requests and needs, big or small, which they always solve with a smile. And to you, Mr Speaker, I thank you for your unwavering steer and leadership towards me in my maiden parliamentary term as a Member of this House, one which I hope, if
1520 the people of Gibraltar so wish, will be a first term and not a last.

And in this vein, I must also thank the Chief Minister himself for having had an open and constructive dialogue with me over the last four years, despite us being on opposite sides of the House, providing me with help and assistance as a minority Member whenever I have sought it, never once closing himself off from me just because of the party divide and the swords that we
1525 have, on many occasions, crossed. Thank you.

Mr Speaker, as already indicated, and true to Parliamentary convention, I will be voting for the Appropriation Bill, despite my reservations as described, in order to signal my desire not to grind services to a halt.

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

1530 **Hon. Chief Minister:** Mr Speaker, can I congratulate both of this afternoon's speakers. (**A Member:** hear, hear.) I think that they have kept us entertained in different ways during the course of their addresses and have made, I think, a fitting end to the fourth session of speeches that this House will have heard in this parliamentary term in the context of the Appropriation
1535 Bill.

I will have a lot more to say in response to all hon. Members Opposite and I will want to also, in reply this year, reflect a little on some of the things that my colleagues on this side of the House have said, to demonstrate, I think, the remarkable hard work that each of them has done in the past four years.

1540 I do think, Mr Speaker, that in all I have heard from hon. Members Opposite, none of them have doubted the remarkable effort that all of the Members of this Government have put in, in the past four difficult years. As I say, I will have more to say tomorrow. I propose to come back at 10 o'clock and try and answer all of the questions – some of them rhetorical but they will not go without answer – that hon. Members have put in the course of their addresses.

1545 And if I may say to the hon. Lady only this: she was a little disappointing this year – there were no revelations of social media handles hiding other identities, of the sort that we have had in the past that might have led us to think that a grand alliance could never be possible. (*Laughter*) But she has of course discharged her obligations to her constituents very fully and very well as usual.

1550 So, Mr Speaker, I would propose that the Hon. Sir Joe Bossano no longer having to stay away from listening to the nonsense that he says that other Members Opposite spout, he should be invited to return tomorrow to hear a reply to some of the nonsense we have heard from some hon. Members today.

The Force awakens, Mr Speaker, tomorrow at 10 o'clock.

1555 **Mr Speaker:** The House will now adjourn to tomorrow morning at 10.

The House adjourned at 5.47 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.01 a.m. – 1.55 p.m.

Gibraltar, Thursday, 13th June 2019

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The Gibraltar Parliament

The Parliament met at 10.01 a.m.

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

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

Appropriation Bill 2019 – Debate concluded – Second Reading approved

Clerk: Meeting of Parliament, Thursday, 13th June 2019.

We continue on the Second Reading of the Appropriation Bill 2019.

5 **Mr Speaker:** I call upon the Chief Minister to wind up the debate on the Second Reading of the Bill.

Chief Minister (Hon. F R Picardo): Mr Speaker, thank you very much indeed.

10 Can I start by saying that I was very pleased indeed to see and recognise a number of young people in the Gallery during the course of the debate for the past three days. I think towards the end of yesterday, hon. Members Opposite finally managed to turn them off, but I was very, very pleased and it filled me with hope for the future of this community that there were young people listening to the arguments, that there were young people engaged in the arguments and that engagement in the years from now will stand us in good stead as they have some collective
15 memory of what was debated in this place the last year before an election in 2019. That can only be good.

Mr Speaker, of course it will not have been lost on those young people that there was only support for the increases in their maintenance grants from 11 out of the 17 votes in this House. I think that they will understand who has been increasing the spending on tuition fees and adding
20 to the opportunities to go away to study a second degree, who has been voting in favour of that and who has been voting against, 11 to 6 in this House.

Well, Mr Speaker, other than that it has been a long week and it is only Thursday. It has been a long week and it is only Thursday and most Members on this side of the House I know spent a lot of their time preparing for this debate with their officials – no doubt Members Opposite too.

25 But this weekend, Mr Speaker, I assume that hon. Members Opposite will start to enjoy their long weekend too – a bank holiday in the sun, Mr Speaker.

Albert Isola leaves tomorrow to Asia. He is going to be flying over the weekend to represent our people there. Then he goes to the Cayman Islands to represent me. I cannot go because we may have a new Prime Minister and I need to be there. And so, Mr Speaker, I guess that is why
30 Desperate Dan called him Invisible Al! (*Laughter*) We do not see him because he is out travelling the world, ensuring that Gibraltar's products are properly sold. He is always working. But I do realise of course that Mr Feetham felt he had to do something to try and hit Mr Isola, because of Mr Isola's effective, damning attack on the illogic of Roy Clinton's arguments on the £1,000 nominal line. So fear not, Albert: they were just trying to deflect.

35 Mr Licudi: off to Asia as well to carry on working on Monday on the bank holiday. I think what we have done is we have started a tradition and that side of the House does the demolition jobs

on the logic of what Roy Clinton says. He was destroyed by Gilbert Licudi's arguments on his mistakes on the university capital and recurrent spending last year and this year he was destroyed again by the arguments put and illustrated by Albert Isola on the nominal line.

40 Joe Bossano is not going to sit still either, Mr Speaker. He leaves tomorrow. So much for a long weekend holiday for us on this side of the House! He goes tomorrow to America to a British trade mission to Cuba, Mr Speaker.

Samantha Sacramento leaves tomorrow – no weekend for her either – to a Commonwealth Parliamentary Association event; and the Deputy Chief Minister and I leave on Sunday to
45 discharge the honour of representing Gibraltar at the United Nations in New York. I did not see my children last weekend, I will not see them this weekend and I will get one day with them.

But as far as they are concerned, we do no work, Mr Speaker. And it is not even a sacrifice because it is a privilege and an honour to be able to do this work for the people of Gibraltar. It is not just us doing the work, working the weekends, it is not just this team; it is also our senior
50 officials and our junior officials as well.

We do the job for which we were elected. To come here and to be denigrated for it, but we do the job for which we were elected. You will not find us, Mr Speaker, spending our days smoking and drinking coffee at Timeout, instead of going to the office, which was the case with GSD Ministers. There was a GSD Minister who never turned up for interview at the ETB.

55 I am making these points because I have to. I make these points because I have to point out that and all the other inconsistencies in the arguments that they have made during the course of the past 48, almost 72 hours and when I make these points, I am making them about the official Opposition, not about the hon. Lady. I was very keen to point out the 11:6 when I was dealing with the points on tuition fees and maintenance grants. I will address the arguments she put
60 separately towards the end of my contribution.

Mr Speaker, they have told, in the past 72 hours, a lot of porky pies about us. In response, I will limit myself to telling the truth about them – because the truth is much more powerful than lies. I will take absolutely no pleasure whatsoever in pointing out all of the negative and destructive arguments that they have made which are untrue. I do wish, Mr Speaker, that they
65 had been constructive. If I was advising them – not that they would ever take my advice – I would have told them in particular in this year, in an election year, to be constructive. Hope always wins over hate, Mr Speaker. What our people want is hope, not hate. They want constructive argument, not destructive argument.

But Mr Speaker, even in this election year they have decided to be destructive. So I will not be destructive. I will just deconstruct the arguments that they put. That I think is what our people deserve. I think it is the best way to understand what this Appropriation is about.

Mr Speaker, every morality play ends the same way. When we are reading a play we get to understand all of the characters. Because we are the reader, we are reading behind the action and we know who is telling the truth and who is lying. We know which character to side with
75 and which character not to side with. We know which character is trying to dupe and we know which character is doing their best, working their hardest, telling the truth.

And because, Mr Speaker, this debate is about the state of the nation, it has become a little bit more about who is telling the truth than anything else, because it is not just about who is telling the truth about the numbers; it is about who is telling the truth about the nation and the
80 way that the nation is progressing.

In fact, despite the early and nervous point of order that Mr Clinton tried to make, the debate has spilled over into allegations and innuendoes that have gone beyond the estimates. Not from this side of the House – you have had departmental reports from this side of the House – but from the other side, innuendoes, allegations, despite the nervous point of order made by
85 Mr Clinton at the beginning of the debate. But I said in my early intervention that I would not allow the innuendoes and allegations of ruthless men to damage the reputations of good men. And so in the coming hours, like in every good morality play, I am going to demonstrate why the good men and women are sitting here, and why the ruthless men are sitting there. I do not

extend that description to the hon. Lady of course – although I disagree vehemently with some of what she said and I will demonstrate why.

Too often, however, politics is not a morality play. You cannot read behind what is happening. Too often that is not the case. But Mr Speaker, this state of the nation debate, at a GSD vs. GSLP level, has been going on now for almost three decades. If you bother to read the debates starting in 1988, going through all of the period of Caruana vs. Bossano / Bossano vs. Caruana, it makes for fascinating reading, if you have got the time or the inclination. Indeed, instead of just reading it, once we brought the cameras into this place, people can watch it – people can watch from 2012 onwards; they have not got to read. And once we started the monthly meetings, Mr Speaker, you could watch every month – although I recognise that Brexit has unfortunately stopped us from having that frequency which we so desire.

But whether you watch the *Hansard* of the videos or you read the *Hansard* over the past 30 years, this morality play is now ready for a final act. You see, Mr Speaker, this culebrón really starts in 1991 and heats up in 1995. In 1995 is the first time that a GSD Opposition called the GSLP Budget an ‘optical illusion’. So much for original thinking, Mr Speaker.

An optical illusion is like a mirage. So we are not watching anything original here. Nobody has got up and said something new. The GSD have said in 2011 the same thing they said in 1995. That was the first year that they pooh-poohed the golden rules that they now hail as gospel, Mr Speaker.

I almost felt like titling Joe Bossano’s Budget speech before it went to the media as ‘A letter from St Joseph to the Apostles’. (Laughter) 1995 was the first time that Obi-Wan Bossano was threatened by the Emperor, Mr Speaker – sorry if I have got my terminology wrong. But I will come to the issue of the young apprentice later; he does not need to worry! (Laughter)

So 1995 was the first ‘mirage’ reference. The mirage in 1995 was Europort and the reclamation on the West side of Gibraltar. The culprits were then allegedly Bossano and Feetham – the names do not change in this place, Mr Speaker (Laughter) – the Hon. Mr Michael Feetham, who was then Minister for Trade and Industry.

Mr Speaker, with all of their middle class gusto and bad milk, we had to endure in 1995 allegations of debt which were going to destroy the economy and the public finances; of optical illusions, Mr Speaker. Then in 1995, they were saying it was an optical illusion, that the debt was going to destroy the economy and that the GSLP had borrowed £100 million. That was 1995.

I know now that I am not the only one who reads the *Hansard*; they obviously read it too. They change the dates and they repeat the arguments. Things do not change, Mr Speaker; they just get bigger.

Look at this issue of the line that we open in the Estimates when we need to do an open and nominal line in the I&DF. Now it is £1,000, Mr Speaker, but as your very timely intervention reminded us, Mr Speaker – thank you very much for that, by the way, because it demonstrated that this idea that this was something new that only happened under the GSLP, that we had a line for £1,000 was something new – your timely intervention reminded us it has happened for time immemorial. It was established and normal: that which Mr Clinton was pretending was *scandalous* was established and normal even in your time, Mr Speaker. You demonstrated, Mr Speaker, that in your day it was £100 and today it is £1,000. While in 1995 they claimed £100 million of debt, today they claim £1 billion of debt, with a ‘mirage’. So in 1995, ‘optical illusion’, £100 million debt; in 2011, ‘mirage’, £1 billion of debt. The same old GSD playbook.

Mr Speaker, remember that I reminded the House last year, when they were playing the other GSD argument: ‘You’re going to make Gibraltar bankrupt.’ I demonstrated that actually that argument had gone on for even longer. That one had started in the 1970s. You and Sir Joe were engaged with similar banter, and other Members of this House.

And I sometimes worry, Mr Speaker, when I go back and I look at these things and I remind the House that it is just the same argument being put again with the numbers slightly higher, that people are not listening, that hon. Members are not listening that I do all this research for nothing. I guess I need not have worried, Mr Speaker, because the honourable and always

affable Mr Llamas did me the honour in his speech of referring to my speech last year in his introduction and he I think indicated, he was quite gratified to see as a citizen that these things have been said before and actually Gibraltar was never bankrupt – absolutely right, Mr Speaker, we should all be gratified with that but unfortunately it is a reality that these allegations are bandied about.

Mr Llamas said, ‘No Gibraltarian would ever want to intentionally jeopardise the economic future of our nation – more so those who stand for election and have earned the trust and respect of the electorate.’ I absolutely agree with those sentiments 100%.

But Mr Speaker, by raising the spectre of impropriety – in 1995 it was the perception of impropriety - or raising the spectre or perception of financial difficulty or impending bankruptcy, you can actually talk an economy down. In fact many recessions start in that way, talking an economy down. But that is not what we are seeing in this morality play, Mr Speaker, between the GSD and the GSLP. In this *culebrón*, the GSD is trying to repeat the deception it achieved in 1995.

In 1995, their allegations of £100 million of debt and that everything was an optical illusion led to them winning the election in 1996. So that is what they are trying to do and people need to understand it. Everybody watching this debate needs to know that the only reason that they have been told that their magnificent record surpluses are a mirage is because they want to use the same trick they used against Joe Bossano in 1995 to deceive the electorate into blowing them into power this year. In the same way that the £100 in the line became the £1,000 in the line today, the £100 million has become the £1 billion of the allegations. Freddie Vasquez has morphed into Roy Clinton. That is all that has happened, Mr Speaker. That is all that has happened. The optical illusion is now a mirage. Same old, same old. No original thinking.

So, this morning what I am going to do is I am going to produce a potted history of those 30 years of debate to show the reader perhaps many years from now – or the listener or the watcher perhaps, now – that now they have enough of this morality play, of this *culebrón* to work out beyond peradventure who is telling the truth and who is telling a lie; who they should trust and who they should not trust; for them to see who cowered away from the fight and who turned to the dark side to achieve the ambitions of power sooner; for them to see who stood up to fight; and the most important thing that I will demonstrate by the end of my reply, what I will show, what I will prove, is that they are just once again telling the same lie. The Big Lie of the 1995 debt and optical illusion. They are just dusting it down and adjusting it for inflation, Mr Speaker.

Once I have done that, I think the reader, the watcher, the listener, will say, ‘Goodness, if I had known that in 1995, I would have taken a completely different view. I cannot trust the GSD now in 2019 because the Chief Minister has demonstrated to me from their statements and what they have said before, if I bother to look back, that I cannot trust them. I will not be deceived twice by the same party.’

They will see that it is not just lies about the mountain of debt or the mirage; they can also see the lies about the alleged web of companies, Mr Speaker. Web of companies: they almost make Joe Bossano appear like Peter Parker, spinning webs like Spider-Man. These are the webs that they were going to dismantle the morning after May 1996. What did they do? They made them bigger, Mr Speaker.

That was another point made by Freddie and Keith and Peter: the web of companies created by Joe Bossano was a *bad thing*. It had to be dismantled because it obscured transparency in government finance. That is another strand of this *culebrón*, Mr Speaker. They won in 1966 with all those arguments. They convinced the public that the web of companies was a bad thing. And yet in 1996 what they did was grow the web of companies. The web of companies became the Government’s corporate structure. So, web – corporate structure. Rat-infested reclamation on the East side – Sovereign Bay. Mr Speaker, you could not make it up!

But look, chapeau to the 1995-96 team: they won. They did it. They spun a yarn and they won. But that always happens in a morality play: the good guy always loses the first time.

And then, Mr Speaker, what they did was they did not just add companies; they added trading companies. They added trading companies with losses: with £100 million of accumulated losses when we were elected. I had to do a Ministerial Statement, Mr Speaker, setting out the fact that we had found £100 million of company debt in the GSD web of companies, because I got a doomsday memo from the then Financial Secretary and they said all of this was a lie, because they were also using the companies to fund capital expenditure. They were doing the two things: funding capital expenditure through companies and funding recurrent expenditure through companies, which they put into the web of companies which became the corporate structure.

Mr Speaker, they have said repeatedly that there was no such thing as a £100 million hole in the company. I want to thank the Hon. Mr Clinton for the arguments that he deployed on Monday, because by following those arguments through, one will get to the demonstration later in this address that actually the £100 million loss in the companies was there. But the way that Mr Clinton structured his speech, Mr Speaker, it becomes very easy actually to show where they put the £100 million and why they were there. So I am very, very grateful for the way that he structured his speech for that reason, as I will come to.

Everything that they said in 1995 was bad about the newly canonised Joe Bossano, they did more and more of. They said that £100 million of debt was bad – it was not there – but they acquired more debt. They said the companies were bad; they acquired more companies. They said that they were being used for borrowing; they brought it in for borrowing and for spending recurrent expenditure. This is not a case of a party that suffers *in vino veritas*. They do not get drunk and tell the truth – or maybe it is that they get drunk with power and they tell the truth. This is a case of *in imperium verite*. In other words, ‘when we are in power, you see the truth’.

The GSD now has moved on, Mr Speaker. It is not Freddie Vasquez, who was ruthless and effective; it is Roy Clinton, who is ruthless but ineffective. It is not Peter Caruana, because probably they have got no one to replace him with. I mean, the equivalent of Peter Caruana in 1995 is Elliot Phillips today here, the Leader of the Opposition. There is still Keith, back from the dead. But the GSD is a little bit like a hydra: you cut off its head and a number of other heads come up, Mr Speaker – all of them not as good, now trying to canonise the man that they assassinated in 1996. There was an attempt at a character assassination between the GSD and the Foreign and Commonwealth Office in the United Kingdom of Joe Bossano, which did not succeed because the man is made of metal and rock like no one else. Otherwise they would not be able to try to canonise the man they tried to assassinate 20 years ago.

Now they say that all his economic rules have to be followed to the letter. This is political schizophrenia of the worst sort. Indeed, it cannot be schizophrenia; it has to be *hypocrisy* because it is too clearly thought out. Indeed in some instances, they are saying things which are logically irreconcilable. They are either running a strategy there which the person reading the morality play will say is nonsensical or they are running a strategy which is to be all things to all men. ‘We’ll say the things we have to say, even though they are irreconcilable. Those who want to hear us say one thing will hear us; those who want to hear us say another thing will hear us.’

But Mr Speaker, by the end of this analysis everyone will know where the truth lies – where it lay in 1995 and 1996 and where it lies today.

The fact is that in their quest to win an election, the hon. Members Opposite have no regard for the economy or the impact of what they say. It is just a desire to win. When I say this is not a Budget where I need to win an election, and I say my responsibility is not to win an election – my responsibility is to be careful with Gibraltar and make sure that we get to the right destination – my desire, my wish, might be to win an election but my responsibility is to steer Gibraltar safely through these difficult times. Theirs is different, Mr Speaker. Their desire overcomes their responsibility and the way that they act is as if the economy did not matter. They will say whatever they have to say in order to be somehow swept into power.

I am already hearing nervous Billy Bunter style laughter, Mr Speaker, from the Opposite side because they know that they have called this the Big Lie Budget, just like they did last year. They

245 have called it a mirage, Mr Speaker. This is designed to paint their picture of a nation that cannot afford a balanced view of where we are and where we are going.

If at least they said, 'You can't do those things because you are spending too much money', and they said, 'Do not build the schools. The GSD says do not build the schools', well look, you might have some respect for their position. If the GSD says, 'Do not build the Children's Primary
250 Care Centre, do not build the Primary Care Centre', you might have some respect for their position. But they do not want to put their money where their mouth is, Mr Speaker. They want to say, 'Do not spend the money', but they do not want to say, 'Do not do the schools'. They want to say, 'Do not spend the money', but then they say, 'Give the pay rise to the teachers immediately, otherwise you are being unfair and the wheels are coming off your industrial
255 relations strategy'. 'Do not build the houses.' Come on! They must be clever enough to realise that if they are not prepared to have the gumption to tell us to stop those projects, they cannot seriously be telling us that the money is not there and that this is just a mirage.

Especially when their whole attack is actually not 'Do not build it'; their whole attack is therefore not, 'There is no money'. The whole attack is, 'Do not put it through the companies; put it through the I&DF.' Their whole attack!

Well look, Mr Speaker, I thought that before they prayed to St Joseph they prayed to St Peter. Putting capital spending through companies is something that – I have told them before, but I will demonstrate to them again – was done by them in government by the greatest
260 Gibraltarian of all time, according to Mr Feetham.

Mr Speaker, if at least they were honest and told us to stop the spending, then people could choose whether they want them or us. Do they want them in power stopping the projects, stopping the new Primary Care Centre, stopping the houses, stopping the schools, and stopping the sports facilities, although they are likely to have been built; or do they want us in power building schools and building homes? That is the reality of the choice. But they are not honest
270 about that, Mr Speaker, they do not want to say that.

Make no mistake about it: if you build these things, it costs *money*. Who thinks that they can make the argument that we should build more affordable homes, or indeed rental homes, where you do not even get paid back the capital that you invest? They are saying build rental homes – build for £250 million and then rent for £17 a week. That is what they are saying in an
275 economy that they say is not doing well. What logic do they bring to the debate? Mr Feetham realises that this cannot be reasonable. I mean I have at least that respect for his intellect.

Mr Speaker, the argument is not even how we finance things. The argument is whether or not these things go in the book, and whether or not there is a mortgage and whether or not there is a sale. Well, Mr Speaker, in relation to the hospital, there is neither a mortgage nor an
280 I&DF reference, nor anything. If hon. Members wanted to make the argument as they have tried to make, barefaced deception of the public, that there is a mortgage and that people need to be worried about their homes, what do they say to the people sitting in beds in the hospital? The building belongs to the Royal Bank of Scotland, and we pay a rent because that is how they structured it. Do they not feel that our patients are going to be turfed out? For goodness' sake,
285 Mr Speaker! Where is the logic of their position?

Do they not realise, Mr Speaker, that the great deal that Sir Peter Caruana did in relation to the hospital means that the hospital is owned by a bank and we have to pay a rent every month to keep the patients in their beds. That is the great deal that they did. If we were applying Mr Clinton's standards, in fact, in relation to that transaction, do you know what we would say?
290 We would say that transaction was brought about in circumstances where there was a relationship of consanguinity between people in the bank and people in the Executive Committee of the GSD. That creates a huge potential conflict of interest, because the people in the bank were enriched by the decisions of the GSD in Government. That conflict of interest was designed for people to line their pockets. That is what we would say if we were applying their
295 standard.

But we do not say that because we do not take that attitude. We do not say that everyone is up to something and create innuendos. That is what they do, Mr Speaker. We point out what we do not like about the deal. Joe Bossano pointed out what he did not like about the deal in every Question Time. But we do not impugn the integrity of the people who were involved in the deal, despite the very close relationships that existed between the people who were on different sides of the transaction – and by the way, Mr Speaker, when did we find out about that? When did we find out about the fact that there was going to be a new hospital which was not going to be owned by the Government, it was going to be rented by the Government at a huge cost, paying a huge amount not of interest but of rent? Well, Mr Speaker, when we asked questions about it, because it was not disclosed by anyone.

So by Mr Clinton's lexicon, we uncovered the highest cost PFI deal done ever in Gibraltar's history, which involved relationships between people on the GSD and on the bank side of consanguinity and of proximity, which by their standards would relate to a conflict of interest after an investigation, and we discovered it because Joe Bossano asked questions.

Oh, by the way, Mr Speaker, dealing with those issues, dealing with how we apply Mr Clinton's yardstick to things, how does he feel about the £10 million that we lost on the Theatre Royal on their watch? £10 million lost! Do not worry, I will do all of the rest of the amounts that they lost on loans to OEM from taxpayers' money. I will do all of that and see how he feels.

How do they feel about GSD prudence, Mr Speaker, when they are *in imperium*, when they are in government? Surely, Mr Speaker, the colonial bookkeeper cannot be happy about having lost £10 million, about having lost £7 million of taxpayers' money in loans, about relationships of consanguinity between bankers and people in the GSD executive that lead to the lining of pockets. But he never answers those points, Mr Speaker, because he is not here to answer questions at Question Time; we are here to answer questions.

But even in debate, Mr Speaker, he does not deal with the issues in debate. Why not? Because they cannot! They have absolutely no answer for the way in which they grossly negligently lost millions of the taxpayers' money on loans and on bad property deals and on a rotten deal on the hospital. Maybe we should have a select committee to investigate that. Maybe we will, Mr Speaker. Maybe we will have a select committee on more than just that.

Let's be very clear. All of the things that I have heard hon. Members say about Gibraltar's economy and Gibraltar's public finances – two separate things – not being the success that the Government has demonstrated it is are not just inaccurate; they can be demonstrated to be wrong by any measure of the economy. So if he does not like the surplus, let's look at the GDP. If he does not like the GDP or surplus, let's look at employment. If he does not like any of those, let's look at the increase in revenue. If he does not like any of those, let's look at the number of unemployed. And if he does not like any of that, just walk around this community, Mr Speaker, and look at how it is being completely transformed by any measure.

Mr Speaker, are there issues out there? Of course there are issues out there. That is why it is absolutely right that we issue warnings to people. Joe Bossano was issuing warnings to people in the same way as I am issuing warnings to people, Mr Speaker, because people have to realise that if we are going to continue to have it this good, we have to look after what we have today. But from that, Mr Speaker, to say that the economy is on life support, as a strap line for this debate is worse than ridiculous. They are just trying to prove a view, Mr Speaker, but a view that they cannot prove any more. This is not 1995. People see through them now.

Mr Speaker, the only thing on life support would have been their credibility, but in fact it is dead on arrival. It is dead on arrival when you look back at 1995 and you look at the fact that this is just a repeat of that deception.

Of course things could turn adversely on Brexit. I was saying that in the context of my introduction but they do not seem to want to hear the arguments. Of course therefore, although this is an election and the GSD style would be to give away things at an election Budget, we have not done so. We have structured a *careful* Budget.

I am delighted, Mr Speaker, that what they are doing is talking amongst themselves because they cannot handle the truth. They cannot handle that what they have done is to really demonstrate how ridiculous their arguments are by simply dusting down 1995 and doing it all over again.

Of course we do not know what this year will bring, Mr Speaker. That is why this is called an estimate and why it is a conservative estimate. That is why the surplus is conservatively estimated, like every year. Do they not know that we estimate £18 million to £20 million of the surplus but we have ended up with £85 million. That is why it is a conservative estimate because we do not know what is around the corner, Mr Speaker.

This allegedly competent person in finance did not even spot where the Brexit provision was. Another thing that Albert Isola had to demonstrate to him, in the course of the demonstration that much of what he says is *utterly* unreliable. Okay, it is not called a 'Brexit provision'. What does he want, a flashing light and a hand pointing to things? Mr Speaker, maybe what he needs is a magnifying glass in order to see where things are in the estimate!

Instead, what he does is he shoots off, half-cocked as usual, and gets it absolutely and demonstrably wrong. He is, however, not the only one who gets things wrong in the Opposition, although he is the one who gets them most wrong.

Also entirely wrong, and obviously not up to the job, is the current official Leader of the Opposition – the Official Leader of the Official Opposition, as I suppose I should call him. I want to tell him honestly and genuinely – he can believe me if he likes, or not – that I do not dislike him. I really do not dislike him. In politics, there are some people who one just cannot help but dislike – it is normal, like in everyday life. But I do not dislike him, Mr Speaker. But I have to tell him – and I am almost telling him honestly as a counsellor, so he does not put himself through it again – that that was the weakest ever Budget response by a Leader of the Opposition in parliamentary history, bar none. He has outdone even himself last year – and I thought that was impossible, Mr Speaker, because last year he was abysmal. Utterly abysmal.

By the way, Mr Speaker, he was the one who said that the economy was on life support. He, who was dead on arrival as an incumbent for Leader of the Opposition, said that the economy was on life support. He does not seem to be doing badly out of the economy, Mr Speaker, and I am very pleased for him and I hope he continues to do very well. I should say, by the way, that at last they have replied to the motion on backbenchers, after I said in my speech that they had not, they have now finally replied to us on the motion on backbenchers.

He tells us, Mr Speaker, that because of Brexit we have to be more circumspect in our spending. But then he tells us that we have not done enough and that we are letting people down. It is such a basic contradiction that you would have thought that in writing his intervention, or at least whoever wrote it for him in writing the intervention would have realised that the contradiction was utterly blatant.

He talked about an economic and physical separation from the Continent. Well, Mr Speaker, I do not see a tug strong enough to tow us away from Europe. There is not going to be a physical separation from the Continent. And the idea that there is clear blue water between Joe Bossano and the rest of the Government because Joe Bossano does not comment on things which are not his portfolio competence and I do not comment on things which are Joe Bossano's portfolio competence is not even an argument. It is not even a weak argument; it is just not even an argument, Mr Speaker.

All of these political placebos that people say to each other at parties were strung together to make a speech: the 'champagne socialism'. Look, as a socialist, I take it very badly that people think that there are drinks which are not accessible to us. I tend to drink Coke Zero these days or water, but is it that the hon. Gentleman is saying that socialists are not allowed to drink champagne? We are not allowed to celebrate an election win, even by 68%, because the minute that we sip from that nectar we stop being socialists, we become something else, Mr Speaker? I thought they were in a competition with us to *be more* socialist – another argument that Joe Bossano has won. Not only is everybody now against the Brussels agreement, not only does

everybody now accept the golden rule, but now everybody wants to be a socialist, Mr Speaker! Well, I hope there is no champagne around next time they have an annual general meeting and they get more than 20 people in. Goodness, Mr Speaker!

‘We failed young people.’ ‘We will not have a highly skilled workforce.’ These things – I have got replies for them, but is it worth replying, Mr Speaker? It is not even worth replying to these things. We have the most highly skilled workforce in Europe – that is the problem. We do not have technical people, but we have the most highly skilled workforce in Europe because we send 70% of our people away to do degrees.

People will put us in the right place and they have given us our roles here. Well yes, obviously, Mr Speaker. And by a margin of more than 2 to 1, they put us here and them there. That is the reality of what our roles are.

‘People are entitled to know what your spending is.’ Mr Speaker, £676 million of spending is in this book and they say there is nothing there!

And then Mr Speaker, they went on: we must protect our elderly and our young people, we must make good use of our land. And I thought, ‘Hang on a minute. That is my speech from last year that he is reading back at me.’ He was saying to us that we must do all the things we have told him we are doing. We must give value for money to our people. Well, Mr Speaker, he might want to give a charitable donation of the whole of his salary as a Member of Parliament then, because frankly that is the only way that people are going to get value for money from him. That must be why the Financial Secretary was wily enough to tell me that I had to raise the gift aid to £10,000 so that he could get rid of it in four shots, Mr Speaker.

I do not know whether I should bother putting people through having to listen to my responses to his speech because there was nothing of substance there.

Mr Speaker, he said that he had seen Joe Bossano on YouTube in the 1980s in America and that I had plagiarised him and that he wanted to commend the younger Joe Bossano to the current Joe Bossano. Mr Speaker, the things that Joe Bossano was saying in that YouTube video were exactly the same things that he said about our land and our people in his first Budget speech as Chief Minister in 1988, which is the one I analysed last year, which is the one I paraphrase this year and summarised. Or has he not made the connection, Mr Speaker?

And apparently, Mr Speaker, we are giving away our land, which is the jewel in the crown, to the few for the rich. To the few for the rich! We have built more affordable homes on our land than they did, and yet we are giving away to the few for the rich. We are creating more land, and we are giving away to the few, to the rich. Our development plan gives away to the few, to the rich. But Mr Speaker, it is their development plan. It is the 10-year life of the development plan dated 2009. So what is he talking about? Or did he have a PDP moment there, criticising the GSD?

‘Victoria Keys is just for the few.’ We get half of the land and 20% of the company. For the first time in history – and I told the House because Joe Bossano said we must negotiate a fifth of that company belonging to the taxpayer – for the first time in history the taxpayer is going to make something from a development. And when the taxpayer makes something, it invests what it makes for the many, not the few. So can they please get it right? And all these horrible buildings that he rails about: all the horrible buildings that they approved in their secret DPC, that is the reality.

‘We deserve an open view of spending’: again, £676 million in the book, which they say ... I mean maybe they just cannot be bothered to read, they do not want to do the work and that is why they say there is nothing there.

‘Governing Gibraltar means making tough decisions which are fair and open’, he said to me, Mr Speaker. Seriously, Mr Speaker? Seriously?

Every time I say no to something, they take the side of the people I have said no to! *A mi me pertenece* culture is a bad thing: when somebody comes and says, ‘I am entitled to something’, and I say no you are not, they say ‘*Uii que poca verguenza lo que me han dicho*’ ‘You should have been told yes’. For goodness’ sake, Mr Speaker!

‘This Budget does nothing for families,’ he said. How can this Budget do nothing for families? It puts up all the tax allowances. It puts up all the scholarships. It has been welcomed by the Disability Society. It has been welcomed by Unite the Union. It has been welcomed by the GGCA in a circular to all its members. It has been welcomed by the GTA and ASUWT. The minimum wage is up – in fact, it is up a third in my time – and ‘we do nothing for families’! And indeed, Mr Speaker, they are going to vote against all of that. They are going to vote against all of that.

I think the problem is that this does nothing for his family, because it does not get him any closer to his obvious ambition of power.

He said that we have hidden the true level of debt, because he talked about the £300 million investment, he talked about the £400 million in Credit Finance Company Ltd, the £400 million of gross debt. But why did he talk about all of that, Mr Speaker? I have told him about all of it. So how is it hidden? How can something that we are talking about and totting up and having different views about how it should be dealt with in accounting terms – how can that be said to be hidden, Mr Speaker?

‘It is not in the book.’ No, it is not in the book for reasons we have explained, and I will go into why Sir Peter says that it should not be in the book. St Peter said it should not be in the book. But it is not hidden, Mr Speaker. ‘Tripe!’ he said – *callos. Carne como callos. (Laughter)* ‘Tripe!’ he said – tripe is what came out of his mouth for 40 minutes, Mr Speaker. Better he had kept it all in.

But maybe, Mr Speaker, his attack might be slightly different because you see, he is not of GSD stock. He is of PDP stock. So maybe he is actually wanting to put clear blue water between Sir Peter Caruana’s practices and his GSD. But given that he is not of GSD stock because he is PDP stock, Mr Azopardi is not GSD stock because he is PDP stock, and Mr Feetham was said by the founder of the GSD not to be GSD stock – well frankly, Mr Speaker, I do not think they have got enough stock to make a soup! No more GSD soup is possible because we have not got the stock.

He made the same mistake about the £1,000 nominal line. He said everybody is worse off, we did not listen to the young people who could not get a job. What, the 33 that I reported have not got a job?

Even Mr Feetham later on in the debate, through gritted teeth, congratulated us on having got unemployment down. But the Leader of the Opposition – because that is *apparently* what he is, Mr Speaker; the Official Leader of the Official Opposition – said that we were not doing enough for young people.

We are not listening to addicts, he said, Mr Speaker. Of course we are listening to addicts. What we are not doing is allowing ourselves to fall into the trap of allowing people to abuse addicts, to record them, to try and get those videos to go viral and to somehow in that way put pressure on the Government. He falls into a trap if he does that, Mr Speaker.

But this was all just high-level placebos. The classic final cherry on the cake, Mr Speaker, was when he said, ‘Reform, referendum, remain’ – that phrase that you have got your friend, Alistair Campbell to come up with. Mr Speaker, Alistair Campbell will take that very badly. He is paid to come up with much better than that. I came up with that entirely myself, Mr Speaker!

I felt an emotion I did not think I would ever feel when the Hon. Mr Phillips was halfway through. I really wanted Mr Feetham to grab the microphone and deliver the Leader of the Opposition speech. I never thought I would feel that emotion – rooting for Danny to once more take over the GSD. It was that bad.

Then he told us that what we should be negotiating in Brexit is that we should have continued freedom of movement and access to the single market, whilst at the same time we should tear up the tax treaty with Spain and the memorandums of understanding. He told us it was not possible two years ago to do that, Mr Speaker. Now he tells us it is the standard by which we must be judged and what we must achieve. This was just nonsense.

In one part of his speech, he said that we need to be positive and speak loudly. I have not heard such utter puff in politics in all my life; that the tax treaty is a success for Spain, a surrender for Gibraltar. The hon. Gentleman is a political shyster and he is going to be found out.

505 The costs of running Government have gone up 76% or £56 million a month. Well, Mr Speaker, first of all, what would he cut? If he is concerned it has gone up, what would he cut? What would Elliot Phillips cut? Would he stop the salary of the nurses or of the teachers? Would he tell the teachers he has not going to give them a pay rise? Would he instead tell the teachers, 'Sorry boys, instead of 46% up on the M1 scale, you are getting 25% down'? Would he do that?
510 He says that we have gone up 76% and that is too much.

Mr Speaker, the average increase in recurrent expenditure under the GSLP Liberals in the past eight years is 7% per annum. The average increase in recurrent expenditure under the GSD is 17.8% per annum. Maybe he has just putting distance between himself, as that PDP guy, and the GSD. Mr Speaker, I really was left thinking as he spoke of that great Meat Loaf hit, 'I want my money back', this is costing the taxpayer.
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He says that at the May Day rally, I had to be scurried off by my personal protection team. Nothing could be further from the truth. I went to the Union May Day rally, knowing there were people who wanted to remonstrate with me, because it is my obligation to be there when people want to remonstrate with me, to hear their arguments, to discuss with them with passion, not just to agree – to make the tough decisions, to put the taxpayers' point, not to run away as they do, every time that there is a serious argument. But it is clear, Mr Speaker, that if they were ever in a position of responsibility, his attitude would be to bottle it, to run away from the argument. He would not face the music and he has just admitted it.
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Real training and real skills, he said that we need. Well, I suppose, Mr Speaker, on the whole minimum wage, not just half, like they paid when they were there last time.
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And then as he was coming to the end, he said, of course, on public finances, Roy Clinton would speak and on the context, Daniel Feetham would speak. But Mr Speaker, neither of them is the Leader of the Opposition. Both of them have been rejected by the GSD. Roy Clinton got less votes than the guy who was not entitled to stand for election as Leader under their constitution. Although he had rented magnificent offices for the Clinton campaign, Mr Speaker –
530 another great and prudent decision – he was rejected. And Daniel Feetham, Mr Speaker – well, that is history, for now at least.

He is the Leader of the Opposition, and he did not talk on public finances and he did not talk about the context. He should do a T-level in Politics, Mr Speaker.
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And they are the biggest fans now of everything they said about Joe Bossano. But do they not realise, does he not realise that the hatred of Joe Bossano, the character assassination of Joe Bossano, is the glue that stuck the GSD together? Now that they love him, they are falling apart!

He said that we should have fairness in housing, Mr Speaker. What fairness? Favouring those who buy 100% of an affordable home over those who buy 50%? That is fairness. So if you can afford less, you choose second. If you can afford 100%, you choose first. That is fairness in housing *à la* GSD. Very unsocialist, Mr Speaker. A few bubbles of champagne must have crossed his lips at some stage!
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'We need to create more training for people in the gaming industry, otherwise they will not succeed.' Does he not know that out of 30 companies, two of them already have CEOs who are Gibraltarians? That is magnificent. These are two excellent examples of Gibraltarian ability, of Gibraltarian diligence and skill. CEOs from Gibraltar!
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His speech was pitiful. It was pathetic. When he looks back at it, he will be embarrassed, Mr Speaker.

'The biggest crisis in housing in our history', he says. Well, Mr Speaker, if you woke up yesterday and thought that the day before, everyone had a home and this day they were on a housing waiting list you might say that; but anybody who has been here for long enough will know what the list was like in 1988, what the list was like in 1996, and what the list was like
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again in 2011. Yes, there are a lot of people waiting for the 1RKB, but there are a lot of people who are couples, who are both down for a 1RKB – or does he not know that?

555 What about all the spending we have had to do, repairing the estates that they created? What about the need to repair the Mid-Harbour estate, which is literally breaking apart?

And by the way, Mr Speaker, when he says they are selling the purchasers' 50% – no, we are not. No, we are not! We are selling *our* 50%, Mr Speaker, not the purchasers' 50% – or do they not understand that the ownership of the remaining 50% remains with the Government, in what
560 Sir Peter called dead money – capital that will not be realised?

It is not housing that is broken, Mr Speaker; it is the GSD that is broken. They are broken in half, maybe even in quarters. They are torn asunder. The hon. Lady left. The Hon. Mr Llamas left, came back, and just told us he is about to leave again. (*Laughter*) They are being propped up by the PDP – indeed, they are being led by the PDP – in Parliament and outside. And if it is not the
565 PDP, it is the Labour Party. The takeover is complete.

And of course, Mr Speaker, Slim Shady never stood up – as usual. The nomad is always such a disappointment. In fact, maybe it is time for Slim Shady to shut up, not stand up.

If he needs to better understand this book, Mr Speaker, he needs to understand it is a business plan for the spending of £676 million of our nation's money, and for them not to even
570 bother to scrutinise it is utterly ridiculous.

Who sold the crown jewels, Mr Speaker? *They* sold the crown jewels. *They* sold all the post-war properties that people were prepared to buy – sold. If Mr Clinton were right and we had done a mortgage over them, does he not understand that in a mortgage you get the property back in the end? It is the best way of keeping to your crown jewels. If you sell it, you alienate it
575 for good. Thank goodness that Samantha Sacramento and the Financial Secretary have worked a mechanism for us to be able to buy all of that back, Mr Speaker! (*Interjections*)

They sold every single post-war tenancy that people would be prepared to buy. So, if they say, Mr Speaker, that the crown jewels are in play, they lost 200 of the diamonds in the crown jewels. That is what they did. That is what they did and that, Mr Speaker, is half an estate – half
580 a rental estate. So they tell us to build a new rental estate. They alienated half a rental estate – indeed, a whole small rental estate – by selling it to people. Those houses are no longer available for people on the housing waiting list, because they have been bought. So if you buy a house, you can give it to whomever you like. We cannot give it to the person who would next be entitled. *They sold the diamonds in the crown jewels*. Thank goodness we have the wherewithal,
585 the financing, the ability, the successful economic performance to buy those properties back and to put them back to the use of those who most need housing in our community, those who most need rentals. Mr Speaker, that was bad for the rental stock.

And if arrears have hit a brick wall, Mr Speaker, because we have done all of the work that we can do but continue to do more, it is not the brick wall that it hit when they undid the Central
590 Arrears Unit. Talk about creating the *a mi me pertenece* culture. They stopped chasing people who did not pay. How can they accuse us of somehow nurturing the *a mi me pertenece* culture? They planted the seed, they watered it and they covered it in their usual compost – and everybody knows what compost is made of, Mr Speaker. We heard enough of it in the past 72 hours.

595 'We will not vote for this book, Mr Speaker, because it is not clear, it is not fair, it is not accurate and it is a gross dereliction on our part if we support it.' That was his final moment. That was the strength of his submission, and it was absolute puff, it was vapour, Mr Speaker. It was *levante*. I hope that although they called him Elliot, they did not think they were calling him Elliot after General Eliot. There was a man who stood and fought in the Siege of Gibraltar – made
600 of real mettle. This Elliott is not made of any of that. But even then, Mr Speaker, I do not dislike him as I told him when I started. (**A Member:** If you did ... !) (*Laughter*) But if they say these things, I have to reply.

Turning now to Mr Clinton, who delivered, Mr Phillips told us, the address on public finances, I am going to reply to Mr Clinton and Mr Feetham together in some instances because some of

what they said crossed, contradicted, tried to find support for some of the arguments. And of course, as Mr Phillips said, one was going to talk on public finances, the other was going to give the context. So it is Mr Phillips who leads for the Opposition but actually the submissions that a Leader of the Opposition would make were made by Mr Clinton and Mr Feetham separately. Okay, so I will have to deal with them in some instances together.

Some of their arguments, as I say, Mr Speaker support each other, some of them contradict each other. Quite an interesting tag team to follow in an intellectual way, Mr Speaker – seeing Mr Feetham and Mr Clinton working together, bumbling along with their arguments. It is a bit like watching Laurel and Hardy, Mr Speaker. I will not say which is which, Mr Speaker, but I will say this: they would have done better if, like Laurel and Hardy, they had stayed in the silent era. ‘Maybe next year they will reply to me’, said Mr Clinton – with not a hint of arrogance, Mr Speaker. ‘Maybe next year they will reply to me.’ He already sees himself here, Mr Speaker. He already sees himself with the deception of 1995 updated, the optical illusion becoming the mirage, people deceived and him swept into power. He already sees it. I wonder whether he has chosen his suit for the day when he will be sworn in as a Government Minister, because he already sees himself here giving the speech on the Budget for public finance.

Well, Mr Speaker, he could become a Minister. He could become a Minister, we take nothing for granted. We are humbly going to put our record before the people of Gibraltar when the election comes and they will make the choice and they will make the decision. But that is why today I have to deconstruct his arguments, to ensure that the people of Gibraltar make a decision based on the truth. Whatever decision the people of Gibraltar make, it will be the right decision as far as I am concerned, even if I disagree with it. But they must make it based on the truth, not based on a deception.

When he said that he could be here giving the speech, he gave himself away. ‘By the mouth dyeth the fish’, Mr Speaker. Everything that we have seen, everything that we have heard, is an attempt to get here; not an attempt to do a fair and balanced analysis of the estimates of expenditure. It is a tactical attempt to go back to the deception of 1995, to denigrate today’s numbers, to ignore success and to try and persuade some people that for that reason they should support them.

‘It is a mirage, Mr Speaker.’ The only mirage is the mirage of competence on his part, as I will show when I demonstrate the huge level of incompetence that he has brought to this debate in the way that he has done the analysis, but not just for this year. His incompetence is legion and even Sir Peter Caruana will have cause to pick up the phone and ask him, ‘Roy, *para ya!*’ – to stop with these new big ideas that he brings, voting against the Budget, undoing the surplus by counting the corporate spend. I think he will get a call and he will say, ‘Look, you are not just doing down your own reputation; you are doing down all of our reputations.’

I told the House, Mr Speaker, what they said in 1995. I have got it here. Freddie Vasquez had said that this was all an optical illusion, and Joe Bossano, replying to him, said:

The thing that he has just admitted to us five minutes ago is the only thing that in his book we can take credit for is what he said in 1992 was not real.

The optical illusion then, Mr Speaker, had been the reclamation.

... not real, and created by spending borrowed money. The Hon Mr Vasquez has told the House today that we have got a crippling mountain of debt and in one of their political broadcasts a year ago they said we had borrowed over the £100 million and it is not true. They know that it is not true.

And remember what I said before that Elliot Phillips had said about the economy being on life support. Well, another thing that Freddie Vasquez had said was that we had a *wrecked economy*. Wrecked economy – economy on life support. Mirage – optical illusion. £100 million – £1 billion. It is all the same, Mr Speaker. All of the same – just adjusted for inflation.

But I dare say there is one big difference, Mr Speaker: Danny Feetham did not agree with the analysis in 1995, because it was being done of the GSLP Government. It was being done of the work that Joe Bossano, Juan Carlos Perez, Michael Feetham and others had done, which did Gibraltar proud.

The difference is that Daniel Feetham now prosecutes the same case that Freddie Vasquez prosecuted against that GSLP Government in 1995, with the same terminology and with the same attempt at sleight of hand. The economy on life support today was the wrecked economy then.

Mr Speaker, there are more repeats on the GSD playbook than there are on GBC at the weekends! All the things they praise Joe Bossano for now – the great economic performance – were the things that they were knocking him for. It is incredible, you could not make it up, Mr Speaker, these GSD politics.

They even mocked as recently as three and a half years ago – not 30 years ago, not 25 years ago, not 20 years ago, not eight years ago; as recently as three and a half years ago – they mocked his predictions on the GDP again. Mr Clinton and Mr Hammond went on television and said, ‘You’ll never achieve that.’ Not only have we achieved that, we have achieved it a year early! Maybe that is why they are converts, Mr Speaker. They had a Damascene conversion on the way to the House of Assembly for this Budget debate. *Dan más vueltas que un trompo*. They really do turn more than a spinning top, Mr Speaker.

And by the way, if they think that Joe Bossano is siding with them and not with the GSLP, Mr Speaker, why don’t they offer him membership of the GSD? See what he says. Or why don’t they try and come and join the GSLP? See what he says, because they know that one of them is barred for life.

I am starting to wonder, Mr Speaker, whether or not actually I might want the GSD to survive for another 25 years. I always thought they were too dangerous and that they should be got rid of. But actually, reluctantly, I might take the view that they should be the ones to survive, because maybe in 25 years they will be saying great things of me. They are trying to assassinate me now, but maybe they will be saying that I am the best economist since sliced bread in 25 years, given the way that things are changing.

But at least some of them are making exactly the same sort of distasteful and untrue allegations that they were making in 1995-96 – not just the ones that I have referred to. They are creating innuendos and spectres of impropriety, etc. But history shows that the truth will out.

Mr Clinton tells the general public in Gibraltar that they are being cruelly deceived; the truth is the Government is running two sets of books and we are only being shown a fraction. He knows that is not true, Mr Speaker. But if it were true, it would be exactly the same fraction that was brought to this House by the GSD under Sir Peter Caruana. The only fiction, Mr Speaker, is the fact that he delivers only half of his speech. He delivers the half of the speech which analyses the economy in the deceptive way that he wants to analyse it. He tries to give a pessimistic picture of the economy, but he does not deliver the second part of his speech, which is: ‘And therefore if I was in government, I would stop the programme to build schools, I would stop the programme to build a new CPCC, a new PCC, I would stop the programme to build new houses.’ He does not want to tell us that fraction of his speech – the next logical part of his speech.

‘The Budget system is not fit for purpose.’ That is what he said. Well, it is a good thing he has come to the House to tell us that. It is a good thing, thank God, Mr Speaker, that after 50 years this House has been told that its budgetary systems are not fit for purpose. What would we do without him? Well, it is as unfit for purpose as when Bob Peliza was here; as unfit for purpose as when Joshua Hassan was here; as unfit for purpose as when you were here; when Joe Bossano was here; when Sir Peter Caruana was here. As unfit for purpose – nothing has changed.

Mr Speaker, let’s be very clear. They called me unfit to govern in September 2011. On 9th December 2011 the people decided otherwise. Now they are saying that the book is unfit. At the next election the people will show them that they think otherwise, I am sure.

Why is the book unfit? Why is the Budget system unfit? Why do they have to vote against the Budget? For one simple reason: because since coming into government – his phrase – the GSLP Liberals are diverting capital projects into companies. Mr Speaker, that is a *sick joke*. He has been here now for three years. He might have said it the first year. In the first year, when he said something like it, I did the analysis for him, showing him how the GSD had put all the capital projects through companies. He said it again the second year, and I told him again. He said it again last year and I told him again. He seems to like to crash his car against the same brick wall every single year.

But just like Gilbert Licudi nailed him on his mistakes on recurrent expenditure and capital expenditure in the University, just like Albert Isola nailed him yesterday on his beginner's mistake on the £1,000 nominal line, I am going to demonstrate that the reason that he has said that the surplus should disappear is one that has greater consequences for the record of the GSD than for us. Because you see, Mr Speaker, in every year that they were in government – let's just take the last eight anyway – the GSD use the company structure to finance capital projects in every single year. In fact, Mr Speaker, between 2001 and 2011, they spent £808 million in capital projects. That is a lot: £808 million.

Remember that Mr Feetham says that I have spent too much, because Mr Feetham says, 'You have spent £750 million on capital projects.' They spent £808 million. Mr Speaker, if we gross it up, that is probably over a billion now, if we total the inflation. Of which almost £300 million was spent outside the book. £300 million was spent through companies, 'without passing through the Government's accounts' to use Mr Clinton's description, which I do not share.

So why should we have less faith this year than we had in all the years that they were in government? And now he raises that this is all unconstitutional. But Mr Speaker, why is it unconstitutional now when it was constitutional when the person who was doing it was the draftsman of the Constitution? (A Member: Hear, hear.)

One of the things that Mr Feetham tells us is that one of Sir Peter's greatest achievements is the Constitution. And yet he stands there now with Mr Clinton and says that Mr Caruana, Sir Peter, was in breach of the Constitution for the five years between 2006 and 2011 at least – unless they are referring to a part of the Constitution that goes back even further to the 1969 Constitution. You could not make up this nonsense, these contradictions! Laurel and Hardy would do so much better to have stayed in the silent era. How can the greatest Gibraltarian of our time be accused by the same people who elevate him to that standard of acting unconstitutionally on the key issue, which is public finance?

They say that these transactions that we are doing by putting capital spending through companies produce an unacceptable distortion that requires them to vote against the Budget. But in 2011, in the General Election, in 2007, in 2003 and in 2001, all of those things were prudent financial management. So recurrent expenditure goes up too much because it is going up 7% – that is terrible. But when it went up 17.8% under them, it was prudent financial management.

Using companies for capital spending is terrible; but when they were doing it, it was prudent financial management. When we created reclamation, it is a rat-infested place. When they have the same reclamation, with not one more grain of sand, it is Sovereign Bay. My goodness! Talk about do as I say and not as I do.

Well, I am going to do an analysis now, Mr Speaker, that even though he is nervous and he is trying to pretend that he is not listening, even though he does not want to hear it, Mr Clinton should listen and he should try to find a reply to it – although there is none. I know that they do not like the fact that I am replying to them and that I am going into granular detail. I know that they do not like the fact that I have found the arguments which they are trying to hide which demonstrate that this is a deception, Mr Speaker, but they should deal with them. They should have the respect for the people of Gibraltar to listen to the answer to the spurious deception that they have tried to create, and then deal with the answer.

I am sure that there may be something they want to say, but they should say it about the answer. They should not put the same arguments again.

Listen to what Sir Peter had to say in respect of borrowing through companies. This is a letter from St Peter to *his* disciples in 2005. (*Laughter*)

Construction of one of the Government's new housing schemes, now known as Waterport Terraces, gets ... under way very soon ...

755 It was delivered many years late, hon. Members will recall.

... and will be funded mainly [via the] companies.

(**Several Members:** Oh! Shame!) In 2005, Mr Feetham was not sitting here. In 2008 he was. In 2008, Sir Peter in a new encyclical to his disciples said this, Mr Speaker, with Daniel Feetham sitting next to him, with his young apprentice just there:

In addition to the capital expenditure through the Improvement and Development Fund, a total of £48.2 million has been expended through the Government companies.

760 Wow! And do you know what Mr Feetham did, Mr Speaker? Did he get up and said, 'I'm not voting for that'? Did he get up and say, 'This is disgraceful, it is unconstitutional'? No, I will tell you what he did, Mr Speaker. (*Banging on desk*) 'Aye!' That is what he did, Mr Speaker. 'Aye!' Because at that stage, Sir Peter did not do what he sometimes also did to him, which was: 'Shut up! Shut up!' and tell him to sit down. Remember that, Mr Speaker? With a bit more authority and gravitas of course. (*Laughter*)

765 Mr Speaker, in 2009 – so this is now the New Testament, this is the end - with Mr Feetham sitting next to him – he said:

In all, during the last twelve years we have invested a total of £427 million on capital projects, of which £278 million has been incurred through the Improvement and Development Fund ...

It is a lot of money.

... and £149 million through Government-owned companies.

770 And what did Mr Feetham do? (*Banging on desk*) 'Aye!' That is how he voted for spending through Government companies, Mr Speaker.

775 So in that time with Mr Feetham sitting here as a young apprentice, Mr Speaker – not a very good one, but as a young apprentice – this was no longer 'a web of companies and you are hiding the transactions'. This was 'magnificent, prudent management of our nation's affairs'. And why is it wrong if I do exactly the same thing? If this Government does exactly the same thing? Well, Mr Llamas has told us, Mr Speaker – Mr Llamas, to be fair to him, with his disarming honesty has told us what is wrong if we do it compared to when they did it. He said – and he has nailed his colours to who he is and why he was in the GSD, on which side of the many wings of the GSD he was in – he said, 'Because I had faith in Sir Peter.' He is the one who should call him St Peter.

780 But look, Mr Speaker, that is an article of faith. It is fair enough. If you say, 'I trust Sir Peter to do things which are hidden, but I do not trust you', I have to accept that. It is a fair argument. They might think he is a man of probity. You are a man who likes wine, women and song, and fast cars and they are not prepared to trust you – well, look, they would be wrong, but it is an argument. But do not say this system is worthy and this same system is not worthy. Say, as Mr Llamas has said, 'Look, I trust him; I do not trust you.' Fair enough – that is how you vote at a general election. But do not come here pretending to make an argument. (**A Member:** Hear, hear.)

I cannot argue with Mr Llamas' article of faith – although I do appreciate, given his actions and the first paragraph in his speech, that there are very few like him left in the GSD.

790 Mr Speaker, is it that I have to apply for membership of the yacht club in order to be trusted by them. Is it that if I am a member of the yacht club, I can do spending through companies, but if I am just a boy, born in El Calpe, I am not able to do exactly the same thing that Sir Peter did? Is that the issue? Is it modern racism, Mr Speaker? (*Interjections*) Is it modern racism?

Mr Isola is, but it is not Mr Isola making the argument. I am not suggesting that hon. 795 Members are members. I am suggesting that Sir Peter is, because they trust Sir Peter. They trust Sir Peter, who is a member of the yacht club, but they do not trust me. I am not suggesting that any of them is, Mr Speaker. Maybe none of them would make it, you never know, Mr Speaker. They have got enough black balls for them and everybody else, Mr Speaker!

I am sure Mr Isola would not black ball any of them. He is a bigger man, Mr Speaker. He 800 forgives them for all the nonsense that they say, all of the innuendoes. (*Laughter*) But I am not a member of the yacht club. But if *their* member of the yacht club does it, it is fine. If the boy from El Calpe does it, it is disgraceful. This is modern racism, Mr Speaker. It is neighbourhood-ism!

Or is it because Sir Peter was of Maltese extraction, and Sir Joe and I are of Italian extraction? I am left trying to work out what it is. What is the different characteristic that we bring to the 805 party that makes it unacceptable when we do it? Not to Mr Llamas, who has been very clear in his view, but to them, Mr Speaker. Is it that they are condemning us because of our Italian descent? (**Hon. Sir J J Bossano:** Genoese.) Genoese. This is modern colonialism, Mr Speaker, that Feetham and Clinton, two English names, will not accept that Picardo and Bossano should do the things that they did. And so this is modern colonialism.

810 Do they want us to call them 'bwana'? Will they not give way to the *jefe*, just like the Financial Development Secretary did in 1988? Or is it, Mr Speaker, that they do not realise their contradictions? Do not they see that they are the ones changing colours every day? Every year, in every Budget debate, depending on where they are sitting, they say one thing or do another. They are left to look utterly politically incompetent and ridiculous by calling unconstitutional that which they supported and encouraged when they were in government. 815

In fact, they raise the hyperbole so much, they say it is unconstitutional today. They said it was prudent financial management then. Slim said that they had left 'a golden legacy', Mr Speaker. But it is all a sham and a mirage under us. Proper transparent accounting under them. Untransparent and unfit for purpose under us.

820 Mr Feetham has gone from GSLP to GSD. He has gone from praising Joe Bossano to calling our companies a web of companies to now praising Sir Joe Bossano again. He then went to the GSD and praised Sir Peter. He was praising company borrowing until 2011 and now he is calling it unconstitutional. He has become a veritable political Boy George, Mr Speaker. And I kick myself for not having realised it sooner. He is the karma, karma chameleon of the 1980s hit and the lyrics are perfect, Mr Speaker. I say to him in the words of that song, to this political Boy 825 George, to this karma chameleon:

If I listen to your lies, would you say
I'm a man without conviction
I'm a man who doesn't know
How to sell a contradiction
I come and go. I come and go ...

from one party to another, from one argument to another. That is the reality

But it is not just him. Laurel and Hardy together are the karma chameleon. They are the political Culture Club that we have, Mr Speaker.

830 But look at what he was praising in 2009. Listen to what Sir Peter said in 2009:

... last year, in addition to the Improvement and Development Fund's spend of [£39 million], a further £70 million was spent through Government-owned companies, making a total for the year of £109.6 million.

Did they get those numbers? Did they get those numbers, Mr Speaker? I think it is only the hon. Lady can bear to listen, because I think they realise that they have been caught out and they must have that feeling in the pit of their stomach, when you are caught out and you think, 'Oh my God, they found me out!'

835 Mr Speaker, £39 million through the I&DF; £70 million through the Government companies; 65% of all capital spending in 2009 was through the companies. So how do Laurel and Hardy feel now, Mr Speaker? That one of them needs to go off to do a Boy George. How does Boy Roy feel, Mr Speaker?

840 You see, Mr Feetham was voting for that. (*Banging on desk*) 'Aye!' At least Mr Clinton was not here. How does that make Laurel and Hardy look? Maybe Mr Clinton will go to that other verse of Karma Chameleon and sing it to Mr Feetham:

Don't you hear your wicked words every day
And you used to be so sweet I heard you say
My love is an addiction.
When we cling, our love is strong
When you go, you're gone forever ...

Except he never goes, Mr Speaker!

He strings along, he strings along.

He told us he was going but he is staying. I think Mr Clinton devised all of his arguments when Mr Feetham said he was resigning and leaving the party, because otherwise he makes these
845 arguments, saying all of this is wrong, with the guy sitting next to him who said, (*Banging on desk*) 'Aye!' It is ridiculous, Mr Speaker. There cannot be much love lost between them.

In the end, Laurel and Hardy broke up, Mr Speaker – just like Jerry Lewis and Dean Martin. In the end they broke up. Just like Smith and Jones, they broke up in the end, but they do look pretty ridiculous from where I am standing. They look pretty ridiculous. (*Interjections*)

850 To the *whole nation* now, Mr Speaker, they just sound like men without conviction who cannot sell a contradiction. They come and go and they string along, but they are not leaders. They are just political hip shooters who do not care what damage they do to our nation with their irreconcilable statements. They can laugh, Mr Speaker, but deep down this is damaging our nation. It is damaging trust in politics and it is bad, Mr Speaker. They do not, I think, sometimes
855 even realise.

And by the way, in 2010, Sir Peter told the House that he was going to spend another £47 million through the companies and in 2011, an election year, £63 million spent in the companies. All of it outside the book, according to them. That is the way they refer to it: 'outside the book'. All of it in keeping with the chameleon, Mr Clinton's standards – scrutiny not available
860 to the House. All of it, according to Mr Clinton, unconstitutional. *All of it*, by the way, by his standards, annihilating their surpluses – all of it. For every single one of those years.

Or is it that he did not bother to think this through, when he was crafting his clever little argument, on his grubby notes for the debate? Did he not think through that what he was doing goes to the heart of the argument? Not just this argument; the historic argument in the moral
865 play that has been played out in this place since 1995 between the GSD and the GSLP. It goes to the heart of it, to the argument of the optical illusion in 1995; to the arguments about Big Lie elections in 2011 and in 2015. Did he not work that out?

They say this, Mr Speaker – Mr Clinton said this to the nation in his Budget address ... I noticed at one stage, Mr Speaker, he was up against the match between the GFA and Ireland,
870 and 33 people were watching online – the unemployed, Mr Speaker.

He said this: 'If you had spent what you have spent through the companies, through the Improvement and Development Fund, through the book, then your surplus would disappear.' That is what he said. He said that on Monday evening, Mr Speaker. This is *key*, because it is the edifice upon which not just his argument, but Freddie Vasquez's arguments, Sir Peter's

875 argument against the GSD, every single one of their arguments ... their non-vote for the Budget hangs on this.

'If you do that spending through the companies that you have done, through the book instead in the I&DF, then you don't have a surplus. Therefore your record surplus is not there. Therefore it is a mirage or optical illusion. Therefore we are not doing economically well. 880 Therefore our public finances cannot afford your spending.' That is what he said.

Well, first of all, even if we did that it might still not be true, because if we did that, but at the same time we added the £50 million that we have in the Savings Bank reserve and all of the other pots of money that we have that they had left down to zero and which they, in financial years which were election years, brought into the Consolidated Fund, we might even be left with 885 a surplus even then. So I am not going to accept that.

If I calculated surpluses like they did, I would not even have that, because I would have declared the extra £25 million I give to the companies as part of the surplus and the Savings Bank fund. Let's just look at those: I would be up at £165 million of surplus, if I did the things the way Sir Peter did them, to calculate the surplus. So I would not even be out of surplus then.

890 But what if we did? Of course, my surpluses would be lower – unquestionably. If you take away from 80, 43 for example, the amount that Sir Peter spent in one year, you end up with another 40. Okay, fine.

But what was the golden legacy of the GSD? What was it, Mr Speaker? The £200 million in the cash reserve – because of the surpluses, Mr Speaker. That is what we were told was the 895 golden legacy of the GSD. Mr Clinton has just destroyed any credibility they might have in respect of that argument.

Does he not realise what he says? I think he does not, because when he attacks he does not realise that he is not just attacking me; he is attacking sometimes Gibraltar. He is affecting Gibraltar, Mr Speaker, and he has not thought through that his arguments would not just attack 900 me and attack Gibraltar, they destroy Sir Peter Caruana's claim, which they make for him, to have delivered consistent surpluses the last four years of administration and indeed before.

Let us look at how, by applying logic to his argument, he has just driven a coach and horses through the idea that the GSD had surpluses. Let me show him how bad his argument is.

2007-08 was an election year. 2007-08 the financial year, we were here in summer 2007 905 debating the Budget. They declared a budget surplus of £15 million – £15.9 million. But they spent £23.5 million via the companies. Apply Roy Clinton's logic: bang goes Sir Peter's surplus for the year. He ends up with a deficit of £8 million. And so, when Sir Peter said that he had a surplus of £15.9 million in the 2007 General Election, that was an election lie, by Clinton's standards. That meant that that was a Big Lie election, with a big Budget lie by Clinton's 910 standards – a mirage; an optical illusion that they went to the people with; a deception, Mr Speaker. Except now, by Clintonian logic, it has proven to have been a deception.

In 2008-09, the following financial year, with Mr Feetham in government – bang, bang, 'Aye, aye', right? – the surplus is allegedly £36.7 million. In that year, they spent £48.2 million via the companies. So by Mr Clinton's clever argument, another GSD deficit that year of £12 million 915 pounds – a double figure deficit now, if they calculated according to how they want to calculate it. Another GSD mirage, one for which Mr Feetham now bears responsibility, because he voted for it – not the 2007-08; the 2008-09.

And in 2009 - 10 ... Forgive me, Lord, I'm enjoying this too much.

In 2009-10, Mr Speaker ... I am sorry that I am inflicting this intellectual humiliation on Roy 920 Clinton, but he deserves it because he does not care, when he comes at someone with a political knife, that he will cut potentially our people with it. So he deserves to have a self-inflicted wound made with his own logic, as his smugness turns to embarrassment in defeat. He deserves the intellectual humiliation.

In 2009-10, the GSD declared surplus was £34.8 million. How much did they spend in the 925 companies? £70 million. Mr Speaker, that means that the GSD, by Clintonian economics, Clintonian accounting principles, Clintonian logic, carried that year a deficit of £35 million. It is

flawed, it is incorrect, but it is the measure that he applies to us, Mr Speaker. He has no credibility left even with his own people – they must all be thinking, ‘My goodness, Roy! What have you done? Not only have you got us down the dead end of voting against budgets, which is the most unpopular thing we can imagine, you have now undone Sir Peter’s golden legacy! *Shiquillo, quedate callao!*

Mr Speaker, karma is catching the chameleons. Indeed, the worst possible argument, I think, is to create select committees to look into things, because that could really come back to bite them.

In 2010-11, the big idea that he has had to bring to this Budget to deconstruct our record surplus is even more dangerous for them. They declare a surplus of £33.4 million. How much do they spend in the companies? £48.7 million. Another incredible £15.3 million deficit.

And the following year, which is an election year – 2011, the election year, the year in which in that same debate I was called ‘unfit to govern’, Mr Speaker – that year the surplus was £32.9 million. Motion against Fabian Picardo: unfit to govern. Daniel Feetham sitting next to the Chief Minister: ‘Hear, hear, Aye! Aye!’ Perfect. Sir Peter had said it was his last term: he could see himself sliding over as apprentice into this chair of responsibility. Sir Peter with his feathers completely open as a peacock, declaring £32.9 million of surplus. His company spend: £63.9 million.

Okay, calculators at the ready?

The GSD went into an election saying that they had a surplus of £32.9 million. The election year 2011, they told, by Mr Clinton’s standard, the biggest lie that this community has ever been told in a general election. They created a mirage, an optical illusion of surpluses, when actually they were going into the election with a *deficit* of £31 million, by Mr Clinton’s standards. A hidden deficit, a deception on the electorate, persuaded to vote for them on the basis of a surplus, when actually by Mr Clinton’s standards there was a deficit.

Well, Mr Speaker, perhaps that is why we only won by 400 votes. And yet four years later, we won by 5,000 votes Mr Speaker, because people were starting to see through them, because by Mr Clinton’s standards this was cheating of the *worst sort*.

So I want to thank Mr Clinton for the way that he presented his arguments, Mr Speaker, because by doing so in that way, the effect has been to completely annihilate, demolish, destruct the suggestion that the GSD was somehow better at creating prudent economic management and surpluses. But this is an accusation that is not therefore just levelled against me, Mr Speaker. It is levelled by Roy Clinton against Sir Peter Caruana, and therefore I suppose Sir Peter Caruana is left to sing them that other great Culture Club hit, ‘Do you really want to hurt me? Do you really want to make me cry?’ The first line of that song, Mr Speaker, is: ‘Give me time to realise my crimes.’ *(Laughter)* ‘Do you really want to hurt me? Do you really want to make me cry?’

That is what these Boy Georges have just done to Sir Peter Caruana. These political Boy Georges, this political Culture Club that we have Opposite, have just made the most heinous accusation against Sir Peter Caruana – more heinous even than any Sir Joe or I have ever made.

They have said that everything he did was a big lie; that his surpluses were not surpluses at all. In fact, Mr Speaker, it is worth totting - up the numbers I have given the House. Let’s do the sums that I have just given you, Mr Speaker. Calculators at the ready.

In the financial year 2007-08 the deficit, in Clintonian economics, is £8 million. In financial year 2008-09, it is £12 million. In financial year 2009-10, it is £35 million. In financial year 2010-11 it is £15.3 million. In financial year 2011-12, the election year, the Big Lie, it is £31 million.

Have you done the sums? *Aguantate el pincel, que te voy a quitar la escalera!* The sum, Mr Speaker, is a total accumulated deficit of the GSD in just the last four financial years – 2007-08 to 2011-12 – calculated according to Clintonian principles – of £101 million of deficits. Golden legacy? It smells like the sort of thing that John should be taking a DNA sample from – although we would all know who did it and we all know who to send the fine to. No need for DNA here.

Thank you to Mr Clinton for not thinking things through and for giving us the opportunity to do that analysis, because in doing so, and to use his terminology as well, the GSLP-Liberal investigation has uncovered that their surpluses were a mirage, an optical illusion, a fraud on the electorate; that they perpetrated a big lie in the election of 2007; that they were unconstitutional in their use of funds. And you know what, Mr Speaker? It all tallies perfectly to the £100 million hole that we said that we found in the companies. Do you remember that? They said it was not true.

But Mr Speaker, has he just proved it? Is he such a sleuth, Mr Speaker, that actually he has found the hole that Mr Feetham said did not exist, that Sir Peter denied ever existed? Has he just peeled back the emperor's clothes, Mr Speaker? If his logic were right, that is what he would have done – because his logic cuts both ways. It does not just cut us. If you are going to calculate or un-calculate our surpluses in one particular way, you can expect that we are going to look at what it does to yours.

And this is the problem, Mr Speaker. When he wants to convene select committees, when he wants to vote against the Budget, when he wants to do all that, he does not think things through to the end. He thinks about his move, but he does not think through to the last move, Mr Speaker. In politics, and in protecting Gibraltar in particular, it is our responsibility on this side of the House, and it has always been the GSLP way of doing things, that we think through to the last move, not just to the next move.

So where is the financial fantasy now, Mr Speaker? The financial fantasy. Well, Mr Speaker, I assure him I have many fantasies, Mr Speaker, but none of them are financial. I will leave those to him, Mr Speaker, to come and go like the chameleon. But let's face it, Mr Speaker, the only thing that is shot is his credibility. He should have gone to Specsavers, before making his killer point on the Budget. They are also running a two for one deal that he seems so enamoured with.

Mr Speaker, he talks about the £300 million investment, and that we have not disclosed that before the election. What had they disclosed of the roadshow which was going to lead to everybody's electricity bill being put up? Absolutely nothing. And what had they disclosed of the resolution that they were going to bring to the House after the election to raise the borrowing limit because they were about to exceed the borrowing limits? Mr Speaker, why is it that we are judged by one standard and they are judged by another?

I endorse what Mr Bossano says. I agree with Mr Bossano. I give Mr Bossano presents. I try to ingratiate myself to Mr Bossano. Well, Mr Speaker, then why does he not do what Joe Bossano is going to do, which is vote for the Budget? Why does he not do that? If he endorses what Joe Bossano is saying, why doesn't he vote for the Budget? The big difference – the huge difference – the reason why Joe Bossano in opposition has not made these points and has supported the borrowing, Mr Speaker – the big difference is that Joe Bossano does not want to Gibraltar to fail and would never risk Gibraltar failing.

He does not care. He only cares about himself. He only wants to see himself swept into power. He is ruthless in the way that he pursues his politics and he does not care about our people, Mr Speaker.

He says I am an unworthy apprentice of Joe Bossano. I agree, Mr Speaker. Nobody in this room as an elected member is a worthy apprentice of Joe Bossano, because he has given 47 years of his life to this Chamber and more even to Gibraltar. He does not need to persuade me that I am worthy to be an apprentice of Joe Bossano. I am *lucky* to have been an apprentice of Joe Bossano. And doesn't he know, Mr Speaker, that the party that praises and eulogises Joe Bossano is the GSLP; and that the GSD is the party that sought to assassinate the character of Joe Bossano?

Then Mr Speaker, what he says is, 'Look, I'm sorry if I upset someone in the way I ask questions.' Nobody upsets anyone asking questions, Mr Speaker. You upset people when you impugn their integrity. Or is it that he has forgotten that in his letter to the Principal Auditor on the issue of community care, he said that there should be a Kids Club-style investigation into

things. 'Kids Club' does not mean the nursery, Mr Speaker. *(Interjection)* No, I will not. *(Interjection)* No, Mr Speaker, I will not. *(Interjection)* No.

A Kids Club investigation, Mr Speaker, is an investigation into trustees who are alleged to have mismanaged funds. Kids Club in the United Kingdom was a trust that was intervened in because of mismanagement of funds. He is not asking questions, Mr Speaker. The minute you say that, what you are doing is impugning integrity, Mr Speaker, whether he likes it or not. That is his style: to create innuendo and to impugn integrity. And then he says, 'I'm just asking questions.' He throws the stone and then he hides his hand, but he is not even good at that. We can see him, Mr Speaker, and we will not let him get away with it.

He said he was pleased to hear that Barclays were ready to renew the loan; but then he was perturbed that I said that we might look at the Savings Bank to underwrite that loan for a period. Why is he always perturbed when we do things with the Savings Bank, which means profit for the Savings Bank, but he is not perturbed when we do it with Barclays? After Barclays left Gibraltar high and dry, Mr Speaker, despite the loyalty of the people of Gibraltar for 100 years, should we be giving Barclays interest in preference to giving interest to the Gibraltar Savings Bank? Well, look, if he understands Joe Bossano, and he praises Joe Bossano, this is one of the things that Joe Bossano thinks make sense.

He asked me whether there was more securitisation of borrowing and I said no, there isn't. I should have given him a straight answer, he said. I did, Mr Speaker.

But none of these things which I am doing, Mr Speaker, in relation to the new mechanism to be able to guarantee 50-50 affordable homes for our people going forward, he said, have I done with the House. I have done it all before coming to the House and the House does not get to find out about it. Did he not hear me say, Mr Speaker – was he too busy with his grubby little pencil, writing his grubby little speech, in which he was going to ruin the GSD legacy – I have to bring a Bill to the House? I need an Act of Parliament in order to do this. So not only is it going to be in the House; it is going to be in the House as a Bill for debate separately.

'What is the price of the option of Victoria Keys?', he said, 'I'd be very interested to know what the price of the option that the developers at Victoria Keys have, because it would be very unfair if they paid nothing for it.' The price of the option, Mr Speaker, is 20% of their company.

Is that not remarkable? He was complaining when I told him what we were going to do the reclamation ourselves. He said, 'Oh, you said you were going to do a reclamation and I was excited. I thought it was going to be people investing. Now you're going to do it yourself.' Then when I tell him it is going to be done by third parties, he said, 'Oh, I'm disappointed, I thought that it was going to be done by you.' I am totally confused as to who he wants to see the reclamation done by, because he has confused himself, I think. It is utterly ridiculous, Mr Speaker.

Then he tells us, Mr Speaker, that of all the jobs we have created, only 98 have been for Gibraltarians – 'isn't that terrible?' But except Laurel or Hardy – I forget which is which – then tells us, 'We created 8,000 jobs when we were in government and you couldn't criticise us for not creating more for Gibraltarians, because there aren't enough and therefore I recognise that if you have only got 33 Gibraltarians unemployed, if you have only created 98 out of 1,000 that is not bad.' He just does not think things through.

Mr Speaker, I really think that after the way that Gilbert Licudi deconstructed his arguments two years ago, the way that Albert Isola deconstructed his arguments on the token amount this year, and what I have demonstrated he has done to the GSD legacy, Mr Speaker, he has no credibility left with anyone.

Anybody who ever sees the slightest hint that they may be fooling themselves into the trap of believing that Mr Clinton is competent should watch Mr Licudi two years ago, Mr Isola last year, and if I may say so, with a little bit of self-deprecating humility, they should watch what I have just done to his argument on the surplus. **(A Member:** They should.) They really should, Mr Speaker, because no possible chance has he got of ever having a business as an expert witness in accountancy in courts, Mr Speaker. Once they see the way that his evidence is

deconstructed here, Mr Speaker, nobody will ever pay him to pretend to be an expert in anything.

But anyway, look, these are political, I suppose you would say, hatchet jobs. But he gets up to try and do a hatchet job. He gets up to do a hatchet job, to hurt you as much as he can, to damage your reputation as a person, to go underneath, to try and hurt you and to shred your humanity, Mr Speaker, not caring about the damage he does to you or to your family. And then when it backfires, he will complain that all we did was try and do a hatchet job, when he cut himself up on his own blades, when the wounds are inflicted by his own warped logic and his failure to think things through. That I suppose is karma. It catches out the ruthless chameleon every time.

And by the way, Mr Speaker, given that they expressed such concerns about the growth of recurrent expenditure – and I recall, recurrent expenditure has gone up an average of 7% in our time in office; in their time in office it went up an average of 17% a year – but every time they say that they are now concerned about 10% less growth in recurrent expenditure, maybe they would like to ask me one day, who is the senior lawyer out there in Gibraltar who wanted to be DPP, but we could not agree the salary because he wanted it to be so high, so high, so high? Who is the senior lawyer who perhaps would not be in politics today, if I had agreed to pay him the amount he wanted, which would have pushed the recurrent expenditure up even higher – unacceptably higher because we could not agree that amount? Who is that senior lawyer in Gibraltar today who wanted such a high salary – more than just six figures; three times more than just six figures, Mr Speaker, in order to be persuaded not to go into politics? He did not much care about recurrent expenditure then, so I expect not to hear much more about the increase in recurrent expenditure, Mr Speaker.

But he can ask me, if he likes, later. I will tell him behind the Speaker's Chair. Perhaps when I do, he might decide that he has to share it with everyone, which is his attitude to information he gets behind the Speaker's Chair.

He says, Mr Speaker, that I am making rich developers richer but does he not realise that this is the first time that developers are being forced to share in the spoils of their projects? The first time that it has ever happened. The fat cats got fatter under them.

He may or may not have banked their money for them; I do not know what he did, Mr Speaker as a banker. With us they have to share. The few have to share with the many. They have to share one fifth of their company, Mr Speaker, because Joe Bossano thought that we should pursue that and we did and we achieved it. With them the fat cats bloated, Mr Speaker. With us they have to share with the rest of the taxpayers. The few have to share with the many under us. With them it is for the few, not the many.

That is why we took back one third of the plot that they gave to developers by direct allocation on the Midtown. That is what we did; not them. We took back one third of the plot. So how can they tell us that we are making developers richer? They did that. We are not.

When he and Mr Hammond say all of these people, all these developers, and they name them and they say that they are related – one of them is related, I think they are very proud to be brothers; I do not think they are embarrassed at all.

Does he know why we had to deal with them? Does he know? I have said it before but I am going to remind him. I think he knows but he tries to pretend he does not, to try to persuade people in some way.

I have to deal with all of them because *they* gave them a direct allocation of land at Coaling Island and we have got that confirmed by somebody who was at the meeting when they happened. *They* made me have to sit down with them. So I have not given to Isola, to Pardo, to to Levy, to Butler. I have not given. I found them there. *They* gave to them, Mr Speaker. *They* gave to developers.

Look, Mr Speaker, developers are trying to do their business, which is development – with the land they gave them by direct allocation. So it is not possible for them, if they are being honest, which they are not, to genuinely say, 'Picardo gave to Pardo, to Levy, to Isola, etc.' It is

not true! I found them in ownership of the plot, Mr Speaker. I have already done how much they paid for the plot under them and how much more we have made them pay.

1135 But Mr Speaker, these are the same people to whom they gave – at least one of them is the same person to whom they gave – and I make no criticism of this person; I am making the criticism of *them* – *they* gave one of these people a contract for 1% of £1 billion for property development. They gave them that – talk about fat cats, Mr Speaker! Although I hope the man is very healthy. Have they worked out how much 1% of £1 billion is, Mr Speaker?

1140 The Government is seeking advice on whether we can publish that agreement and whether or not we should convene a select committee to investigate the circumstances of the grant of that contract in breach of EU procurement rules by the GSD administration at the time – which it was, and which I believe they *knew* it was. But if they look at the prices per square metre that we have achieved, which I did the exercise on, why are they not congratulating us? We have
1145 achieved a great price, Mr Speaker, for the land that we get in Coaling Island and that we sell.

Is Mr Hammond not ashamed of the defamatory nonsense that he has spewed about this? Is Mr Clinton not worried that his reputation ends up worse than in tatters? In fact it is not in tatters; it is papier mâché – *wet* papier mâché. It is not strong enough to put through a shredder, Mr Speaker, once you do an analysis of the things that he has said.

1150 For once, we managed to get the developers to share with the taxpayers and they criticise us. Why is it that they think that the taxpayer should not share in the spoil of the developers? And why is it right for somebody else to lend to the developers, but not us? Why is it right? I suppose he says that as a banker, Mr Speaker. As a banker, he wants the banks to make interest, not us for the taxpayer, because lending money is a business. I would have thought I do not have to
1155 explain that to our banker, Mr Speaker – as long as what he was is a banker, Mr Speaker, not something else with one letter difference.

Mr Speaker, what is wrong with us making money for the taxpayer from a development? What is wrong that was right about supporting the project at the island at Queensway Quay? What was wrong with that, Mr Speaker? That was right – supporting the island was right, and
1160 supporting Taylor Woodrow having to do projects in a particular way, all of that was right. But us forcing developers to share with the taxpayers is wrong. Perhaps we should look in detail as to how permissions were obtained for those projects in that area – the island and how Taylor Woodrow made decisions about its departure from Gibraltar, Mr Speaker. Perhaps we should look, in a select committee, at all of that in great detail, to see whether the public purse has
1165 been damaged.

Perhaps, Mr Speaker, the same senior lawyer might be called to tell us what he thinks about all of that. Perhaps, Mr Speaker. But what is clearly true is that Mr Clinton is not match fit. He is retired. He just goes around having coffee every day, reads the odd sets of accounts, makes a mistake here and there. He is not match fit, Mr Speaker. He is not as sharp as he was, if he ever
1170 was sharp – and it is starting to show because when you deconstruct the arguments, there is nothing left.

Let me just look at some of the things he said about borrowing, Mr Speaker. The process for borrowing is set out under the 2008 Finance (Borrowing Powers) Act and its predecessor in 1988. It has a section which is still the same, which is section 12. It says this:

Every agreement specified in section 11 –

1175 which is a loan entered into by the Government – this is about whether we should bring loans here before or after they are done.

Every agreement specified in section 11 shall be laid on the table of the Parliament at the next meeting of Parliament commencing –

this is the key word, Mr Speaker –

after the date on which the agreement is made.

Why are things done after the agreement is made? It is very obvious to me. The Government is the executive. We have to negotiate those deals and we come to Parliament to report. Barclays or the Savings Bank cannot negotiate with the Parliament. That is why things are done after.

But he says, 'All of these things that you are doing, Chief Minister, they are not just not going through the book; we find out *after* they are done.' Well, Mr Speaker, if it was being done through the book, they would find out *after* they are done as well. Or is it that he does not understand that?

Indeed, he also tells us that we should only announce things once the ink is dry on the paper. But then he wants us to announce them when he wants, before they are even done. I tell you what he wants, Mr Speaker – I tell you what he wants, what he really, really wants. (*Laughter*) This is what he wants, Mr Speaker: *this* is what he wants. And nobody Opposite should think that he wants the portfolio of the Minister for Public Finance. No, Mr Speaker. He demonstrated it when, having said that the Chief Minister and the Minister for Public Finance should have been someone different, he then went for the leadership of the party – just like the other young apprentice. *This* is what he wants. That is the reality underlying everything that he does.

Whenever he tries to sow a deception, he sows it in order to try and weasel his way into this chair, because if it were true that he wanted to understand why we have not yet brought the borrowing, he would not say we should have brought it before it is done – unless he cannot read the word 'after' and understand what it means. Mr Speaker, you cannot negotiate with a bank a refinancing of the historic £100 million or £200 million debt with the whole Parliament or with a webcam on your face, so that the hon. gentlemen can see what is happening on a blow-by-blow basis. Mr Speaker, it is a negotiation with a lending institution. It is not *Love Island*; it is not *Big Brother*. That is why these things come here *after* they are done, Mr Speaker.

If we had to bring things here before they are done, Mr Speaker, do you think we would be comfortable doing so, when the only thing that the Hon. Mr Clinton does is go around the world – not just here; around the world – and say, 'Gibraltar's circumstances in terms of budgetary process and Public Accounts Committee are not fit for purpose. Gibraltar's lending is too high. The economy is on life support. The public finances are not sustainable.'? How can we negotiate the refinancing of our lending with somebody saying that, Mr Speaker?

Look, bankers work out whether the person they are going to lend to – good bankers, at least – can repay the amounts that they are lending. If you have got a guy sitting next to the guy trying to take the loan, saying, 'You haven't got the money to pay for that. You're in deficit; you're not in surplus. You haven't got the money to pay for that. You are not accounting properly. You haven't got the money to pay for that' – how on earth are we ever going to refinance a loan? So it is a good thing that we do things *after*, Mr Speaker, but it has never stopped him trying to undo our ability to properly manage the finances of this community.

He gave me one piece of advice. 'Don't make announcements about things until the ink is dry on the paper', he said to me – advice I said I was willing to take. I would give him a piece of advice: do not jump to conclusions, do not raise innuendos about people's lives, about people's reputations until you have asked the questions and understood them.

We know his instant reaction is to jump to conclusions, always assuming that the worst is true, just like he did the other day, Mr Speaker, with a negative report that he enticed GBC to do on me. A simple question might have allowed him to properly understand in a perhaps more conciliatory way what he wanted to know. He might have been a bit less defamatory in the approach that he had taken – a bit more objective, Mr Speaker, and then what he said the following Friday, which was just, 'No, no, no, I'm just asking questions.' 'I'm just asking questions,' would have been what he said on the Monday, where what he did was to make serious defamatory accusations.

So, Mr Speaker, I am very happy that most bankers are not like him. Look, if he says that we have taken loans, if he says that we have increased the borrowing, well then, Mr Speaker, again by an extension of his own logic, if he is a banker and he respects bankers – and not many people do, Mr Speaker; I do, I just do not respect *him* as a banker – well then, Mr Speaker, the bankers who have lent us the money that he says we have borrowed, which we say we have not borrowed, those bankers, who are from some of the greatest lending institutions in the world, have done an X-ray and an assessment of us and they have decided, having read what he has to say about our ability to repay, that they should lend to us – if what it is *is* lending, by his standards – because we will be able to repay.

So his kin and folk, his banking class, have done the proper, objective, non-partisan, non-political assessment and decided that we are a very good covenant for the money, Mr Speaker.

Mr Speaker, what he said about the £100 million that I sent to the GTA and what it would do to the deficit is of course also absolutely wrong. What it would do to the surplus, making it a deficit, is of course absolutely wrong, Mr Speaker. But as I have already demonstrated that it is wrong because of the exercise I did on what he was saying about Sir Peter, I no longer need to show that there is no alchemy here, because what you have is Clintonian nonsense economics. No one here is turning water into wine – although probably, Mr Llamas would believe that Sir Peter could do it, but I could not do it. And nobody is turning dust into gold. There is no alchemy here, Mr Speaker.

Of course, it is absolutely true. If we had done the schools through the I&DF, then the amounts in the cash reserves would be lower. But look, if that is that something he needed ... I suppose he *discovered* that, Mr Speaker, after an *investigation*.

He should just now move on and tell us what he would do, if he were to take over, when there is a general election, in respect of those projects – make the tough announcements, Mr Speaker, of telling the teachers that they are not only not going to have their pay rises if they get into office, because that will push up recurrent expenditure, but they also will not even have the schools because we are having the argument about whether schools are as important as salaries or not, but he would have to say no to both. He would have to say no to both.

And then he says that our ratio of expenditure to revenue is 97% – 96%, 97%. Well, Mr Speaker, look, does he want to know how many years the GSD exceeded 97% in their recurrent revenue to recurrent income ratios? Does he want to know the year in which the GSD got to a recurrent revenue to recurrent expenditure ratio of 98.8%? Or 97.9%? Does he want to know that, Mr Speaker? Because there are many years in which it happened. Or would he rather know that the average is 96%?

Again, that which is normal, that which is running surpluses – in other words, you spend less than you bring in – he somehow thinks is something that he has to remark upon negatively. What is it, Mr Speaker, that he does not understand or does not want to analyse? Maybe it is because he is retired. He does not want to go through the £676 million of spending that is going through this book. Does he not want to praise, if not us, the people in the Tax Office for the increases which are becoming sustainable in the collections there? Of course we have to be prudent in the way that we estimate. But does he not want to at least take the good?

Frankly, Mr Speaker, I am not going to wait with bated breath for him to congratulate us for having been able to ensure that recurrent expenditure did not rise by 17.8% each year as it did under them, but only 7%. I am not going to expect that he is going to congratulate us for having been able to come so closely with an estimate in every one of the years that we have been doing this. I am not going to expect him to congratulate us for being able to stay below the expenditure estimate in departmental expenditure. But perhaps he should say or realise that neither we nor the controlling officers in all of the Departments of the Civil Service, none of us have a crystal ball. And yet we have done a remarkably good job of getting the estimates right. And perhaps he should think about spending a little bit less time discrediting everyone involved in the budgetary process.

Mr Speaker, when he talks that we are not transparent – now dealing with another point in relation to the companies – he says this: ‘Last Saturday I undertook an online exercise and looked at the filing records of the 37 new companies. Of the 37 companies only 12 have filed any financial information at Companies House. As to financial activities of the other 25, we have no information at all.’ That is what he said.

The way that he does that, Mr Speaker, is designed to inject concern. You can say that in many ways, but the script is written to make people worry and fear. It is designed to create lack of confidence in the public finances, Mr Speaker. Look, of those 37 Government companies, as he calls them, 12 of them are not directly the responsibility of the executive. They are, for example, the University of Gibraltar, the Gibraltar International Savings Bank. All of these have boards which do themselves ... It is not even a Government company any more but he has to count it as a Government company to get to 37.

Of the remaining 25 ... (*Interjection*) Yes, *sotto voce*, the hon. Gentleman has just said it is still Incorporated. Well yes, so are the 14,000 other companies on the register, Mr Speaker. Of course it is still Incorporated. (*Laughter*) Goodness gracious!

But of the remaining 25 in the analysis that he said he did on a Saturday afternoon, Mr Speaker – what a fun life he has, Mr Speaker! – three are companies that just act as directors and secretaries – in other words, they have no real activity. We have already explained here why we incorporated those companies: so that you did not have directors having to resign and be appointed. You have got three companies which are designed to act as directors and secretaries. No activity. Three are dormant. He does not say this, but eight do not need to file accounts under law because they have just been incorporated and the filing deadline has not passed.

So that leaves 11 of which are with the auditor. So the audited accounts are being finalised and by the end of the year, all things being equal, they will be filed. I wish they had been filed already, Mr Speaker, because I know that he loves reading my companies’ audited accounts more than anything else, and I am delighted for him to be able to have them. I do not want to deprive him of the audited accounts, except we are having to reconstruct all of the accounts, as he knows, because they did not file any of them – a point which will be important in dealing with the issues raised by the hon. Lady.

Then he talks about this issue of the insurance fund that we have incorporated. Talk about looking at something good and saying it is bad! Indeed, what I cannot reconcile is if they say that what Joe Bossano says, that must be followed to the letter – the creation of rainy day funds, etc. – how he can even for one moment pretend that this is not a good thing! So what we were doing there was taking a GSD activity – the GSD activity was paying a premium for insurance – and doing our own analysis, showing that the payments were less than the premiums – a little bit like the concept of a captive which we created for ourselves. We are paying this money into a fund, Mr Speaker, and in that way, we have created what is called a segregated deposit, which in effect becomes a sinking fund, a rainy day fund, all of that, Mr Speaker. £2.5 million has been paid in and £1.3 million has been paid out. Mr Speaker, he did not say that that was very good. He said, ‘This is terrible because you have not ...’

We have *saved* that money, Mr Speaker! Yes we have to create a fund. It is in today’s Gazette and I am very proud to do it (*Banging on desks*) because it shows another rainy day fund, Mr Speaker.

I *knew* he would have a bit of an event, Mr Speaker, sometime during the course of my speech! (*Interjections*) (**A Member:** A nervous tic!) Yes!

So another rainy day fund created by the GSLP, Mr Speaker, which is doing very well – another good decision taken to self-insure in that way. So if he wants, he can tick another box, Mr Speaker, when he gets tomorrow’s Gazette and congratulations are due again to the GSLP for it is rainy day fund policy.

It is clear that his fetish for company accounts is matched only by the perverse conclusions that he reaches when he reads them. It is clear that everyone in Gibraltar – at least everyone who is in the GSLP – is doing the wrong thing, except him and them. Everyone is crooked, except

1330 him and them. Everyone is on the make, except him and them. But maybe this is because he does nothing. He never does anything except cast aspersions unfairly and improperly. The man who does nothing is never going to make a mistake – of course, Mr Speaker.

But what makes you fit to run the affairs of men is not just competence, diligence or financial or other skill, Mr Speaker. I think the key component of leadership is empathy – if you are able
1335 to empathise with the work that people do and see their value. If you do not empathise with the people who work with you, Mr Speaker, if you do not empathise with the nature of people's sacrifice and understand what it means, if you cannot empathise with the people against whom you are going to make an illicit accusation, then you cannot ever fairly hold yourself up as somebody who should lead others.

1340 And after last week, Mr Speaker, and the earlier part of this week, it is clear that he fails all of those tests. He fails it against the trustees of community care. He fails it against the Financial Secretary. He does not care if he fails it against me, and I do not care if he fails it against me either, but he fails it against all of those, Mr Speaker. Because for all his pretence of competence and of investigations, he is just really a sad hack who cannot put a jigsaw puzzle together. That is
1345 the reality. He gets the pieces the other way round. He reaches the wrong conclusions. He does not care that he is attacking me at a personal level, he does not care about the effect on my family. He has got nothing to lose, Mr Speaker. He has got nothing to lose.

But when the effect of his constant mistakes, of his misjudgments and of his errors starts to affect confidence in public life in Gibraltar, confidence in politicians generally in Gibraltar,
1350 confidence in Gibraltar's economy, confidence in Gibraltar's public finances – indeed, confidence in community care – then the damage that his lack of ability, his lack of empathy, his failures, his misjudgments bring is too high a price even for his party, but certainly for this community to have to pay, just because he wants to be involved in politics as a retirement hobby. That is the reality.

1355 In fact he has the consistency of running water. We have mentioned the teachers, but Mr Speaker, I think it is unfair to labour that point. What about the Gibtelecom and AquaGib pensioners? No sooner had he turned up on 1st May, a holiday which I am delighted to confirm every year, as a socialist leader, that he was tweeting away saying, 'Why hasn't Picardo paid the pensioners of Gibtel and AquaGib? What's going on here?'

1360 Mr Speaker, it is a good thing he is not in charge because as I said before, you turn up with a whistle and you have got him reaching for the cheque-book, just when he said there was no money left. It is nonsense; absolute opportunism.

And it is that sort of opportunism, when they say one thing and then they do another. They say we would not make any concessions to Spain – the tax treaty is a concession to Spain. We
1365 would *never* on this side of the House, with this man sitting here and this man sitting here and the other woman and men sitting on this side, *never* make a concession to Spain – *never* of any sort in a tax treaty or any other sort. *Never*. Not one grain of sand, not one drop of water, not one breath of our air, Mr Speaker.

But who is saying it? Who is saying it? In Opposition, Mr Clinton, Mr Phillips and Mr Feetham.
1370 And what did Mr Feetham say when we created the artificial reef? He came back from holiday to help me to deal with the situation to go on radio to say, 'Well look, I would be prepared to raise the concrete blocks if necessary.' That is what we are dealing with, Mr Speaker.

Not that they do when they were in government? If it was up to them, we would be showing our passports to a Spanish Guardia Civil on flights from Schengen to continue to have the right to
1375 walk along the soil of our sacred land. That is what they did when they were in government. *In imperium veritas*, Mr Speaker. *(Laughter)*

But the reality is that Mr Clinton's personal ambition exceeds his ability, his rhetoric exceeds his work ethic, and his eye for detail sometimes loses focus. He sees things where there are none. He reaches conclusions without proper research and all of that, Mr Speaker, even if it has
1380 been handed to him on a plate in answers to Questions in the House.

Noel Gallagher, who I very much look forward to seeing at the magnificent Gibraltar concert (**Several Members:** Hear, hear.) at National Week this year, famously described his brother once as a man with a fork in a world of soup, who he thought would find it difficult to overturn a table of drunkards. Well, Mr Speaker, I think the hon. Gentleman is that man with a fork in the world

1385 of soup, who will find it impossible to overturn a government as strong as this one.

I did think it was priceless to see his guilty conscience lead him to a point of order before I had even said good morning, Mr Speaker! I could almost feel the butterflies in his stomach. But I regret to tell him that I now agree with his illustrious predecessor, not about a class, because I am not going to taint a whole class of accountants with the same brush. There are some magnificent accountants, Mr Speaker. But some accountants – him in particular – is what Sir Peter used to say of accountants: people who know the cost of everything and the value of nothing. Never a truer word uttered when applied to this specimen, Mr Speaker. Perhaps that is why Sir Peter never had him in his line-ups. Perhaps he knew he was a walking liability who would undo the surpluses. There was no chance that this one was going to accept that there was a surplus if actually there was a deficit. Clintonian economics and the GSD economic miracles could not live side by side together.

1395

He likes to talk about the debt, Mr Speaker. He likes to talk about the loans. But what about – and this is the key point on which I will end with him – the services? This is back to the empathy point, Mr Speaker – the empathy he does not have. He does not have it with me, but he also does not have it with our people. What about the services? What about the homes? They are all in the book. What about the nurses? What about the policemen? What about caring, Mr Speaker? None of that comes into his speech. None of that. All he cares about is trying to do down our economics, trying to do down our public finances.

1400

But what is he going to do? He has not told us whether he would stop the schools or any of the rest of it. He has not told us whether he would stop paying the nurses, because to cut recurrent expenditure you can only do it in one way: you cut salaries or you cut people. Full stop. Right? That is what they do not like when they said they were going to cut £50 million from the recurrent expenditure budget. All we asked was *where*? What will they do?

1405

Mr Speaker, the way that he presents his argument, he presents maybe half of it. He tells us what he does not like, but it does not tell us what he is going to do to stop it – what he is going to do to stop the increases in the recurrent expenditure – because, you see, the whole argument is a mirage. A mirage that is sustained by a Clinton magic money tree.

1410

He is saying, 'You can't pay for it, but I'll pay for it and I will not tell you how.' Sounds like a secret economic plan. The secret economic plan is either to cut nurses, cut teachers, cut police officers, cut public servants and cut services or to continue as we are doing.

1415

But that is why he only presents half of the argument, because he knows that the other half of the argument is completely unpalatable to everyone, including the people in his party who will not let him stand for election if he says that he is going to cut teachers, he is going to cut nurses, he is going to cut salaries. That is the reality. What a joke, Mr Speaker! What a joke!

1420

No plan, no idea, no empathy; just a big accounting idea. And then, moving the goalposts, because finally, Mr Speaker, this year he decided he was going to try and deconstruct our surplus by reference to the capital spending in the companies. Last year he said he was going to deconstruct our surplus by referring to the fact that the rebates and tax had not been quite caught up. This year, he fails to congratulate us for being the most up-to-date Government in repaying those rebates in the history of our nation. (*Banging on desks*) (**A Member:** Hear, hear.)

1425

Maybe, Mr Speaker, instead of cutting nurses, he might just cut the rebates. What level of intellectual dishonesty we have had to put up with! And, Mr Speaker, I have kept the House in that detailed riposte because it is absolutely fundamental for the economic health of our nation that people should understand that this was nonsense and not deserving of any credibility.

1430

Having said that, Mr Speaker, it is not as if he was followed by Mr Hammond, by anybody with any credibility. This is a man who on social media *supports* an individual calling the Chief Minister of Gibraltar a *Führer*! Now, Mr Speaker, there are many things that you can say about

people, but supporting them being compared to the biggest killer of innocent people of the 20th century – short perhaps of Pol Pot – is worse than disgraceful, and once you do that, you do not start the debate with any credibility. None whatsoever.

Then he says, Mr Speaker, having said that, that our solar projects are a scandal, being monopolised for one individual. No, they are not. Mr Speaker, but the same febrile brain that thinks that it is fair to compare the Chief Minister of Gibraltar with a mass killer of innocent people believes that requiring those who are going to install solar panels to pass a test by Gibtelecom that the energy they are going to produce is not going to destabilise the grid is somehow a bad thing to do; that it creates a monopoly for one person. And he launches an innuendo and an allegation.

Mr Speaker, the scandal is in the allegation, not in the underlying proper reality. The scandal is in the febrile mind that thinks that this is the way to do it. But can you see, Mr Speaker, that there is a pattern emerging? They are all doing it. They are all going for innuendo and allegation. It is 1995 all over again – deception, mirage, innuendo, all over again.

Now, Mr Hammond is just another one of those, but just another one of those who does it all from the standpoint of being a defender of *diesel*. He told us that a playing field full of footballers at Lathbury Barracks is more dangerous to the Upper Rock nature reserve than eight diesel engines spewing black smoke! That is the sort of logic that leads you to describe the Chief Minister of your nation in the 21st century as somebody who is a *Führer*. That is the sort of nonsense that we have to put up with and that the people of Gibraltar need to know is what they are representing. These are the people who are asking you to put them in government, Mr Speaker. That is what we are dealing with.

He thinks it is wrong that we continue to subsidise the electricity price. He thinks it is wrong. He thinks we should be getting everyone to pay the full electricity price. Okay, it is a view. But then, do not tell us that we have to support the costs of doing business staying down, because that is going to put the cost of business up. Do not tell us that we are not helping families, as Mr Phillips did, because if we were to uncap the cost of electricity, we would be crippling families, Mr Speaker. That is the reality.

On top of that, you put 5% on it every year for the next 20 years, Mr Speaker – I do not think that they would ever be able to make the argument that they are doing anything other than crippling families. *(Interjection)* Absolutely right, Mr Speaker. Toba Al over here, Mr Speaker – to challenge them to put that in their manifesto ... Put in your manifesto that you are going to increase the price of electricity, *(Interjections and banging on desks)* because if you do not, Mr Speaker, we will put in ours that that is what you said, during the course of this debate, that you were going to do.

How can anybody make the argument that 22 men or women chasing a ball on a field are more dangerous to the environment than eight diesel engines spewing diesel and smoke? Electrostatic precipitators or not. I think the Hon. Mr Feetham, when I told him about the dogs turning black, realised how dangerous this was! *(Laughter)*

Mr Speaker, they said they want more incentives for electric vehicles and that we should put up the tax for other vehicles. Okay, put that in your manifesto too – but say by how much you are going to put up the tax. By how much are you going to put up the tax on all cars which are not electric, Mr Speaker? By how much?

Silence. Yes, of course, Mr Speaker, because when the time comes, they bottle it. They bottle it every single time – in their innuendoes, in their allegations, in their aspersions, in their tax policy, in their everything, Mr Speaker. They bottle it. They bottle it at every single level.

Then he says, bunkering is a major polluter. Well, then, put in your manifesto that you are going to stop the bunkering industry in Gibraltar, Mr Speaker. Put that in your manifesto. Let's see what you are going to be able to do, because you think recurrent expenditure is too high, when we have revenue from those sources – what are you going to do when you get rid of it, Mr Speaker? What plan is this?

The plan is we are going to make less money, we are going to spend less money, but we are going to build more and we are going to pay more. Well, Mr Speaker, that breaches Joe Bossano's golden rules, because you will end up borrowing to pay recurrent expenditure. Do they not get it? Do I have to do these exercises in logic for them? (**A Member:** Yes.)

It is just incredible that they say to the people that they are a competent political party that could take over the reins of Gibraltar. They are not, and they are demonstrating it.

They say that we do not enforce the rules against Gibdock. We enforce the rules against Gibdock more than has ever been enforced before. The reason that negotiations are taking longer is because we are putting all those rules in their lease, Mr Speaker. We want the economic diversification. We want Gibdock to do well, but we want them to do it well in an environmentally friendly way. That is our bottom line. It was not theirs. They gave Gibdock the lease, Mr Speaker. They allowed them to create a reclamation of tailings of what came off the boat – or do they not remember, Mr Speaker?

'We must commit to a better position on the environment.' Well, Mr Speaker, we must commit to a better Opposition. There is the hon. Lady's chance.

Minister for Commerce (Hon. A J Isola): Hear, hear.

Hon. Ms M D Hassan Nahon: In government.

Several Members: Ooh! (*Interjections*)

Hon. Chief Minister: Now, now, Mr Speaker!

She is going to make me tell her that her rocket chair is running out of fuel, even before I intended to, but I will come to that. Maybe it is electric.

Mr Speaker, then he says that what we are trying to do is make money for developers. Look, I have already told him it is not true in the answers I have given to everybody else, but did he not hear me telling him in my main speech that what we had done was force the developers to come back to the table? We had to – I am going to say it here, Mr Speaker, explicitly – we had to *threaten* the developers. We had to say to them, 'We will reclaim in front of you, you will have no access to the sea, because the direct allocation you were given was given without riparian rights.' Do you know what those are? No, you do not. Well, look it up.

Without riparian rights, Mr Speaker – and therefore we force you to the table, just like we forced them to the table on Midtown and we said, 'You either give us back one third of this plot, or you are not doing any of it.' We are the ones who forced them back to the table. We fought for the taxpayer, for the little guy, against the developers.

Does he not get it, Mr Speaker? Does he not get it? Well, at least, Mr Speaker, what he did, by throwing his wild aspersions, was that he forced them to bring a bit of precision to their attack – and I thank Mr Feetham for having got up and made the statements he did at the time – and now the only closeness or proximity that we have that they are concerned about with the developers of the Victoria Keys site, is the fact that Albert Isola and Lawrence Isola are brothers. Wow! (*Laughter*) You never told me that! Well, maybe you told Sir Peter at the time of the direct allocation.

Utterly ridiculous! Talk about falling apart at the seams! This is not the wheels falling off, Mr Speaker – as Mr Phillips said about my industrial relations policy. This is falling apart at the seams, Mr Speaker. The guts, the tripe, is coming out of the animal, Mr Speaker – this is really quite remarkable. Really quite remarkable.

Well, he says, 'It is terrible that when we make an inquiry about Victoria Keys, you blame the GSD.' No, we do not blame the GSD! We explained that the GSD are the ones who had given the direct allocation to these developers. That is not blaming them. In fact, I did the analysis: I said they had them on site, they traded it for this site, the price they got was too low, we got a better price. That is not blaming them, Mr Speaker; that is explaining.

Then, when all that was left for me to hear, he had a go at cement. He said, 'Cement is terrible. It creates dust. It is absolutely terrible, cement.' Well, Mr Speaker, cement creates dust. Cement also creates schools, hospitals, homes, primary care centres – all of them are built with cement. Mr Speaker, I am afraid that until we find something else, we are stuck with cement.

1540 And yes, the sewage treatment plant has been stuck, but it has not been stuck for seven years. There has been a lot of progress in seven years. It has been stuck for 21 years, Mr Speaker – 21 years without progress. But does he know why, Mr Speaker? Does he know why we are making sure that if we sign on the dotted line, it is for a good reason? It is because of the salt water in our effluent, Mr Speaker, and we need to be 100% contractually satisfied that we
1545 will be able to deal with the sewage, otherwise rightly he would say to us, 'You have signed a contract that does not work. You should have been a little bit more circumspect and a little bit more diligent.' But when you are circumspect and diligent, they say, 'You have not signed the contract.' *Typical* middle-class hypocrisy – oh, how I hate it, Mr Speaker! Honestly, because it demonstrates that people have nothing to give but criticism – nothing constructive, no hard
1550 work, just criticism, innuendo, allegation and aspersion, Mr Speaker.

Then he says, 'And you allow the Spanish fishermen to fish.' I know that there are some in their executive who are obsessed with this – not as obsessed as we are. We think the law should be enforced equally across the board, with no regard for nationality, not just on fishing; on cycling, on driving, on fraud, on every aspect because that goes to the rule of law. Who made
1555 that point first? Joshua Gabay, in this House, in a magnificent deconstruction of the fishing agreement that the GSD had done, which said black upon white, 'The Spanish fishermen do not have to follow the law in Gibraltar, although Gibraltarian fishermen do.' What did we do? We tore it up. What did they do? They criticised us for it. One of the main planks of their attack against us in the period 2011 to 2015 was Daniel Feetham saying, John Cortes had been
1560 irresponsible for tearing up the fishing agreement. My goodness! My goodness! Anybody who is watching the morality play has worked out what they are.

'You're not enforcing it', he says. But look, Mr Speaker, no handcuffs – I am not a police officer. It is not what I do. I do not enforce laws, Mr Speaker. I *make* laws and I respect that there are others who are constitutionally independent, who I would not call, as Mr Feetham said
1565 he would. Mr Feetham said, 'I would call the Commissioner of Police and I would tell him ...'

Mr Speaker, I give my word to the people of Gibraltar that I take the call of the Commissioner of Police whenever he needs to inform me of anything because he believes it is in the public interest of Gibraltar that I should know; but I give my word to the people of Gibraltar that I have never and I will never pick up the phone to tell a Commissioner of Police what to do – ever.
1570 **(A Member:** Hear, hear.) They can have that confidence with us. *(Banging on desks)* And they have equal confidence with them that they would, because they have said that they would, Mr Speaker.

Do they not think it through? Two for the price of one? We have got *six* for the price of one. Look at the *waste* of money that the people of Gibraltar are investing in an opposition to hold
1575 the Government to account which is unable to understand the logic of the points that they are bringing.

Then he tells us, 'Why aren't you doing the buyback on the buses?' Well, look, haven't we just been told that we spend too much? And he is telling us to spend more on the buses. We are looking for new buses – but does he realise how difficult it is to get Euro 6 buses that fit our
1580 roads that are less environmentally polluting? Or is he telling us just to get new buses and not care to get the choices right?

Mr Speaker, his attempt to have a snide go at my hard-won reputation is not worth responding to. It is not worth responding to.

I have worked in this community since I was 21 years old as a lawyer as hard as I could. I have
1585 worked as a politician as hard as I could. I have worked as Chief Minister as hard as I could, to the detriment sometimes of my family, which is something that anybody who goes into this job has to understand. Look, if you do not want that, do not do it.

But, Mr Speaker, my reputation is what other people outside decide it is. I am confident that they have no reason to think that they have ever unjustly enriched myself, unfairly used my position to try and seek an advantage or in any other way failed the people of Gibraltar in the discharge of my duties as Chief Minister. He is not going to judge me. In fact, Mr Speaker, if he did, I would not care. It is as water off a duck's back, because what matters, Mr Speaker, is that every night when I reconcile myself with my spirit, I know that I have done the right thing by everyone who crosses my path, even in deconstructing them today because it is absolutely right for my people that I should do so.

What more did he say which is worth replying to? 'You are only resurfacing in an election year.' Well, look, we resurface every year. The money is in the book, but because they do not look at the book, they do not see it. (*Interjection*)

This year there is more resurfacing. Yes, more projects are being completed so the developers have to finish the resurfacing. There is an Island Games coming: they are going to be going on the cycles, so we have to resurface. Mr Speaker, it is obvious. Why make an issue out of that? Is it that they want to make bad points? Do they actually realise that we are more competent than them and they want us to win by a country mile? Is that why they are making the points this bad?

When he talks about sustainability and the sort of government that we have and what we are doing, does he not stop for a moment to realise that I have not delivered a Budget that can be described as a Budget full of election goodies? I have not. I am surprised he is not criticising me for it – except I suppose in a way they are, because they are saying to me that we do not do enough, at the same time as they are saying, 'You are not being prudent enough.'

Mr Speaker, I am not giving away. I am not giving away. This is what is known as a balanced Budget. So when he has finished with his innuendos, he might like to go back – one day in his heart of hearts, he might want to go back – and re-read the speech that he gave and ask himself, Mr Speaker, whether he did the right thing in trying to raise the innuendos that he raised.

Mr Speaker, he might also want to take me to one side and say, 'Who was that senior lawyer in our community that you are saying ... '? Given that he wanted to talk about developers and abuse, 'Who was that senior law in our community that you were saying had something to do with the island and the way it was done; had something to do with the way that Taylor Woodrow decided that they would not continue to do some of the work that they were doing in the way that they were doing it?' He might want to ask me about all of that, Mr Speaker, and I might be persuaded to tell him

Where were the probity of tenders and interviews in the time that they were in government? How did relatives of my predecessor get jobs in Gibraltar's London Office, when those jobs were not advertised and were not interviewed for? He does not have to ask me. They are sitting in his executive – he can ask them directly. He might want to ask them about their flares and how they got confiscated as well.

Mr Speaker, what about the land on the existing Coaling Island granted to the party for nothing that had just sold for millions at Ocean Village? How about that? About the conflicts that arise there. Does he like to raise the spectre of innuendos and cast aspersions? Does he want to ask about that, Mr Speaker? Who was the lawyer who wanted a huge amount of money to be DPP – who obviously had no concerns about the recurrent expenditure levels of Gibraltar under the GSLP-Liberals, otherwise he could not have justified asking for that money and leaving a paper trail of it too?

Mr Llamas is leaving us on a jet plane, I hope to a lovely holiday, before he returns to the Civil Service. So unfortunately we know which wing of the GSD won, and I am very sorry that his did not prevail. Slim Shady did not stand up – he never stands up, Mr Speaker. I know him. I know Slim and he never, ever stands up.

I tell him honestly, Mr Speaker, and I tell him because he is quite a collegiate politician, I tell him as a friend across the floor of the House, that I very much look forward, if the people of Gibraltar do me the honour of making me once again their Chief Minister – it is a precious

1640 honour, which I do not take for granted, but if they do do me that precious honour – I look forward to welcoming him back to the Civil Service. He will be very welcome back to the Civil Service. (**A Member:** Hear, hear.) (*Banging on desks*) He has tried to do an honest job in this House. I mean, a bit too much Survey Monkey for my liking, Mr Speaker, (*Laughter*) and I do not think he has hit the target every time, but he has tried to do an honest job in this House and he

1645 deserves our respect for that. He has not approached us with bad milk – which is probably why he does not fit in with the rest of them, Mr Speaker. But he was one of their best speakers in being honest, in just setting out genuinely honestly that he cares and he wanted to contribute in his way. That is why I tell him, really honestly, that I will welcome him back to the Civil Service.

Look, he will allow me the quip that I hope that he thinks about voting *for* the Budget

1650 because otherwise he will come back to the Civil Service to receive an emolument which we will have voted for, but not him – which would be a sweet irony. But he should be allowed sweet ironies, Mr Speaker. (*Laughter*)

The Skywalk, Mr Speaker: the rise of the Skywalk is, I think, a very good thing. He more or less indicated that he was happy with the way that we had done some things, although he wished

1655 we had done more – fair enough.

On drugs, Mr Speaker, that is in the report that I am putting before the House, with one Department I am still waiting for, so I hope to be able to lay it before the Third Reading. It will be a very full report, the hon. Member will be able to look at it.

On medicinal cannabis, I do think that hon. Members Opposite no longer know what they

1660 think on medicinal cannabis, but fair enough, look, it is a developing area. I think the hon. Lady and we have led on that, but I think as we develop that area of policy, I think, he will see that we are being very, very careful indeed in how we are going to try and approach that particular area of diversification.

The best line in the whole 72 hours from Members Opposite – a little less conversation; a

1665 little more action. A great line from a great song by Elvis Presley. Mr Llamas was inspired – I think he was inspired by the relief he feels at finally *escaping* the prison that is the GSD. Free from the incarceration in the non-Caruana GSD that he found himself in. It must have been a bit like the jailhouse rock and I think he must have said to himself, ‘It’s now or never.’ So I look forward to him putting on his blue suede shoes and sashaying over to the Government.

1670 (*Laughter*) Getting away from those people there with suspicious minds – we will not be cruel, Mr Speaker, when he comes over to us. Even when he has gone, he will always be on our minds, even if he is off with his hound dog, Mr Speaker. (*Laughter*) So long, farewell, *auf wiedersehen*, good-bye – a job well done, Mr Speaker, even if I have disagreed with him a lot in the time that he has been there.

I do not know whether he realised that the song that he was quoting actually is all about

1675 what I would ask of them, Mr Speaker. All about that – a little less conversation. A little bit more action, please. All of this aggravation of the past 48 hours – all of this aggravation ain’t satisfaction. A little more bite and a little less bark; a little less fight a little more spark. Close your mouth and open your heart and then satisfy me, babies. Well, a little bit more of that – a

1680 little bit more of what the hon. Gentleman did and a little bit less of the spite and the anger and all of the innuendoes and vitriol that we got from hon. Members Opposite – a little bit more of that might have got them closer to being the sorts of representatives that the people of Gibraltar would wish to see discharging the functions of government in our nation.

He was very clear that he felt that the relevant revenue sources should be used to recover

1685 the cost of generating a particular electricity in this case, etc. I think he has been explicit in that and fair enough. It is a clear view. He was particularly explicit on why he trusts Peter Caruana and he trusts the way that he was doing things, and I consider that to be absolutely fair and absolutely proper. You trust him and you do not trust me – maybe now you trust both of us, or whatever – but you trust him and that is what you believed in and that is why you thought that

1690 you should be in the GSD. That is fair enough.

Obviously now he is sitting with people who think that the next canonisation should be Joe Bossano and for the real GSD – no, not much of it left – for the real GSD, that might stick in the craw. At least with them, we know what we are dealing with ... Anyway ...

1695 He said we should not have clad the estates; we should have built new. Well, Mr Speaker, I am surprised at that. I am surprised at that, because Sir Peter Caruana in his last manifesto had the cladding of the estates. He had the cladding of the estates and building a new estate would cost upwards of £250 million. So if we are told that we do not have money, well, Sir Peter would have put it through the companies and it would have been fine. But we are told to do all of that ... well, there was so much contradiction in the six speeches, Mr Speaker, that it is impossible to reconcile a policy. But I thank him, at least, for the honesty, Mr Speaker.

Cladding buildings has the benefit of giving them an extra lease of life. There are a lot of buildings now clad that will be able to therefore have a good and valid life for a lot longer.

1700 Mr Speaker, also dealing with the development of estates, he needs to be reminded in his further considerations as to what he does in the future. But this party, whether under Sir Joe Bossano, when he was the Chief Minister, or under the terrible Fabian Picardo, now that he is here, has never lost a penny of taxpayers' money in loans to developers. So all of the allegations from all of them, including Mr Hammond, about us enriching developers – you have to add an additional layer, that they *lent* money to a developer. They say, 'How dare you lend for Victoria Keys?' Fully secured, to make a decent percentage – I think it is 5% – and to get the land. But they lent to OEM. They lent £7 million to OEM of taxpayers' money – unsecured. OEM went into liquidation. We lost the £7 million of taxpayers' money.

1710 So, Mr Speaker, all I would ask is that in the way that he does things, which I think is quite fair, he should, once he is out of the political fray, do a reassessment of who does what and who has done it. Look, he might end up saying, 'I prefer Sir Peter's style, but I accept that he made mistakes and I do not like the style of Joe and Fabian, but look, they never lost money.' I think he will be fair in the way that he deals with us, once he has gone.

1715 Mr Speaker, I want to thank Mr Reyes for his contribution as usual. He started in an area where we can all, I think, support, which was the support for our national teams, in their fight for international recognition and he supported us in doing that, continuing the work that they had done and that the GSLP had done before them. I think an area where we can all entirely agree.

He said that they were right about the Victoria Stadium. Well, they were not, and I will explain to him why, Mr Speaker. In their plan, the Victoria Stadium stayed in public ownership, we spent money turning it into the GFA's stadium, because that is the way that they would have done it – in other words, taxpayers' money, which they say we do not have, would have gone into just one sport getting a better facility, and that is the end of it.

1720 We have got a different model. We have sold to the GFA for £16.5 million. They invest their money in upgrading it and we invest that money in the sporting facilities around Gibraltar. So I do not think that we have pursued their idea. I think our idea was better. But look, he puts his position as the one that he thinks was a valid one. He does not insult anyone in doing so. He does the politics that I think would be good politics for us to do, which is simply to say, 'Look, you are saying this; I think this is better. Let's get people to decide which one they think is best.' Politics – politics of ideas. Thank you for doing the politics of ideas.

1730 Thank you for bringing into the House the success of Sebastian Desoisa. He really is somebody who we should recognise the talents of. I am seeing him, I think next week. I am very much looking forward to seeing him. I saw him when he was little. Now I am seeing him when he is bigger and his success continues to grow and grow, just as he does. I think, Mr Speaker, that he deserves the recognition of this House. (*Banging on desks*)

1740 He is wrong, Mr Speaker, to think that we have abandoned our plans for the theatre, although they did not take priority over other areas of expenditure, in particular in these Brexit years. We will soon be, I think, coming out with a proposal in respect of the theatre, which we

are working on at a partisan level before we are able to elevate it to a Government thing, which I hope will be very interesting, that people will look forward to seeing.

Look, I agree, teachers are not given to picketing. Teachers exercise their influence in our society in different ways. I do not think anybody has ever really said that I am not a fan of teachers, even though I may not yet have been able to do a deal with them on salaries. I have said enough, before there was ever any dispute between me and the teachers, for me to have a very good record in that respect and you are right, they are not given to picketing. I did the exercise of distilling those teachers who have gone into public life, himself included, to influence in a different way. But look, if you rabble-rouse, you can probably get anyone to picket and if you have people who are related to people who are politically your opponents, etc. involved in that, you can do all that. There is nothing wrong with that. This is a modern open democracy. People are entitled and encouraged to do that because when people picket, I welcome them, I remonstrate with them,. I give them my opinions whether they like it or not, and that is absolutely proper. But that is actually something which I consider a good thing, not a bad thing.

Mr Feetham will forgive me for treating his speech as the speech, really, of the Leader of the Opposition. He is the only person who is clear – though sometimes incoherent in his criticism of the Government. He puts a lot of higgledy-piggledy ... He is a little un-joined-up and he does not think through the consequences of what he is going to say. But I have always been grateful for that, because it is what allows me to demonstrate that he is wrong – but he does it, Mr Speaker. He does it, Mr Speaker, in a way that was the style of the speech of a leader in waiting. A Leader of the Opposition in waiting, I hope, because I do not think he has the judgment to be Chief Minister. If I did, I would be supporting him, but he does it with the passion also, if not the judgment, of a leader in waiting.

Mr Speaker, passion is what gives us each the fire and the work ethic to be a leader. It is what I think creates a good Minister, what creates a good Chief Minister. And I am sorry that he and I sometimes do not agree on matters relating to judgement, because he certainly has everything else. But he has that *fatal* flaw.

But my goodness, compared to anything else that we saw from the Opposition benches – the official Opposition benches – he was on fire yesterday, Mr Speaker! He was much better. I know that this is the time of the year that he likes to cry, but he does not need to pretend, Mr Speaker. He does not need to pretend. He really was on fire. I will tell him, Mr Speaker, that he was, as far as I am concerned, a very worthy opponent at the last election. He was perhaps never prepared to work as hard as I was prepared to work, but there he was, always ready to fight, always ready to go for me, as I was ready to go for him – to do that thing which he was talking about yesterday, which is the adversarial test that our system requires us to subject each other to.

Mr Speaker, he probably had, and has, a higher opinion of his ability than he should in order to safely engineer his passage through politics, which is also for us a very good thing. But Mr Speaker, I will tell him that I did think that he led the Opposition yesterday and in the past three days – the official Opposition was once again led by him. Titles matter not, when it comes to demonstrating who is really leading the pack. He is the one who always tells us about there being wolves in the GSD, so that is why I tell him he is leading the pack, Mr Speaker.

Although I will tell him that I am not so jealous any more, Mr Speaker, of the six pack – not so jealous any more. Almost there, Mr Speaker!

But let's look at the contradictions that he creates when he says that we are not fully transparent. Let's look at why he does not think through the statements that he makes.

It is all a debt mountain, deferred taxation or public sector cuts and austerity in the future. Well, Mr Speaker, I know that viewers of the culebrón, readers of the morality play, will know that that is the same speech that he delivered in 2014, and in 2015, and in 2016, and in 2017, and in 2018 and he has delivered it again this year. It is simply not true that the tax treaty is outrageously one-sided. It is simply not true, Mr Speaker – and I will demonstrate why when it

comes to the debate that we will have on that subject. We are not taking a risk with the public finances.

1795 Mr Speaker, why does he say that the people who find it difficult to make ends meet are the ones who suffer the most? Well, they are already earning – if he is talking about people on the minimum wage – one third more under this Government than they were under them. One third of course of those who were earning the full minimum wage. But they had people on *half* the minimum wage – a very, very un-socialist position. It is the same contradiction as when he says
1800 that the *a mi me pertenece* culture is fuelled by election auctions. Well okay, but then how does he deal with his reaction to the claimants against Government – Gibtelecom and AquaGib, teachers etc.? How does he deal with the dismantling of his friend, Mr Gomez's work at the Central Arrears Unit by the GSD? We believed in that, Mr Speaker, and we brought it back. But the seed of the *a mi me pertenece* culture is not to chase people who do not pay, because that is
1805 what captures ... It is like runner-beans: it goes everywhere, Mr Speaker. And so he is identifying a symptom which they brought to the equation.

He talks about the principles – the Joe Bossano principles. Those are the ones that I have been talking about. But when he was here – (*Banging on desk*) 'Aye!' – he was doing the opposite. He was supporting that Joe Bossano should retire. How many times in his political
1810 career has he said, 'The time has come for Joe Bossano to retire', only to say to us that he does not want Joe Bossano to retire?

Joe Bossano was giving health warnings. Yes – so was I. Does he only selectively hear ... ? Well, I suppose, look, it is politics so I will not blame him for that. He is extracting the bit he wants to make in his argument. But in doing all the things he has done in this attempt to create
1815 political proximity in his arguments between him and Joe Bossano, does he think that Joe Bossano prefers them to us? Does he think that Joe Bossano believes the GSD should form a government, not the GSLP? Does he think, Mr Speaker, that he is strong enough in the Force to lure Joe Bossano over to the dark side? (*Laughter*) No, Mr Speaker.

1820 **A Member:** The dark side is much more fun!

Hon. Chief Minister: You are not a Jedi yet, Mr Speaker.

We do not have electoral auctions and we are not going to have an electoral auction, Mr Speaker. But you see, when Joe Bossano issues a health warning on the Gibraltar economy,
1825 he wants it to be wrong. They want it to be right. That is the key difference. Joe Bossano says, 'Look, things could go wrong and we have to be careful', and he hopes that they do not go wrong. They hope they go wrong so that it sweeps them into power. That is the reality.

Mr Speaker, on his lips, it sits very very uncomfortably to say that we are debating half of the accounts of the Government, when we are debating exactly the same accounts of the Government that we were debating when he was here. How can he say that this is a systematic re-engineering of the finances of the Government, when he sat here and did this: (*Banging on desk*) 'Aye!' – when they were presented in exactly the same way, for the reasons I have demonstrated to him, when I did the double-act analysis of him and the other boy in the Culture Club together, and how they supported Sir Peter? So honestly, I really think that it is impossible
1835 for him to sustain the position.

When he does the analysis of the debt *per capita*, if he wanted to be fair – and I assume that once the cameras stop rolling, he will want to be fair – he will know that in the analysis I did in 2011, I said, 'Although I do not think this is the right analysis to do of the economy in 1995, this is what Freddie Vasquez did, and I think it is fair to now do it to you, for that reason, although it
1840 is the wrong analysis of the economy.' But look, if he is not interested in acknowledging that – no problem. When we are in our 70s and we are downstairs having coffee, saying that things were much better done in our time than they are then, he can at least say, 'No, no, I realise that is what you said, but obviously, I wasn't going to admit it at the time.' I shall look forward to the coffee.

1845 Mr Speaker, if he said, 'If we had a veritable curtain, they have built the Berlin Wall.' Well, Mr Speaker, we built the Berlin Wall and we put something in it called the Brandenburg Gate, which is the Government website, where we put all of the information so that people can have it, including our presentations, etc. So Mr Speaker, I do not think that there are good grounds for them to say that we are in any way less transparent than they were. But I do recognise that they
1850 just want to say it, in order to go back to the arguments of 1995, which led to the defeat, with all of the innuendoes and all of the allegations, against the then GSLP Government, with all of the people who were then hurt and damaged as a result, let alone defeated.

The difference between, Mr Speaker, our spending on Convent Place and theirs is very simple. They spent on luxuries; we spent on floor space, which adds to the value which the
1855 taxpayer has. It is that simple, really.

They say that in 2011 we failed to tell people that we would change the Savings Bank Act. Mr Speaker, the whole debate in 2011 was Sir Peter saying, 'Look, if you want to get rid of debt, all you need to do is *con un plumazo*, you do it in this way and you move it all in or out of the Savings Bank. It is that simple.'

1860 But look, does he at least recognise that they in the 2011 General Election did not say, 'After the election we have to come to this House with a resolution to increase the borrowing limit'? I think he did not know, Mr Speaker. I think he did know. So on his young apprentice's responsibility, I will not try and put that, because I do not think he knew that or much of anything else, although he likes to pretend that he was very close to St Peter ... Sir Peter.

1865 Anyway, Mr Speaker the issue of the funding for the Government companies I have dealt with, but the one issue I do have to deal with in detail with him is this question of Bermuda. I have to deal with that now.

They are saying that Bermuda changed the borrowing limits and therefore Bermuda got itself into trouble and went bankrupt and that is what we have done here and therefore we have to
1870 be careful. Well, he has not gone that far, he says, but that is the innuendo that he is trying to create in order to create that fear. So let me just deal with this, Mr Speaker, because of course what they were going to do was exceed the borrowing limit. They were not going to change the borrowing limit, at least not initially. They had done that before. What they were going to do after 2011 immediately – they might have changed the borrowing limit again – was bring a
1875 resolution to the House to exceed the borrowing limit. In other words, they were going to go *beyond* the borrowing limit. They were going to do a Bermuda. They were going to go beyond the borrowing limit.

Mr Speaker, let's be very clear what is happening here. I need to demonstrate why he does not understand it, because he dedicated a part of his combative speech yesterday, saying we
1880 had not been honest. I am being remarkably kind, gentle and fair to him, given that he said that we had not been honest, Mr Speaker. But I am going to prefer to just show him how wrong he is, rather than, for some entertainment, go for him in another way.

He says that we went to the election in 2015, when one of the subjects was public debt, and we did not say that we were going to change the way that our Act was set out. He says that we
1885 said nothing in our manifesto about the debt ceiling and then when we were elected we did this. Obviously, when, we did it not privately, we did it here with the cameras rolling etc. And then he says Bermuda did this and all of the rest of it.

So let's look at what happened, Mr Speaker. Didn't his colleague, who he lavished praise on yesterday as well, say this: 'Mr Speaker, the official gross direct debt of the Government of
1890 Gibraltar is £447 million, which is made up of £247 million of debentures held by the Savings Bank with no fixed maturity and £200 million of debt borrowing'? He said it; I think I said it too because it is the position.

This was the gross public debt also, Mr Speaker, in 2015 before the election. It has not changed. You see, we changed the debt ceiling, but we have not in any way changed the debt. In
1895 fact, with the sinking fund, it goes down to £435 million. Bang goes the Bermuda warning! Bang goes the Bermuda warning, Mr Speaker! It is as if the Bermuda Triangle had manifest itself here

because he is saying we are doing this to go up in debt and we are not going up in debt. It is remarkable, Mr Speaker!

1900 So in fact, Mr Clinton then gets the sinking fund wrong and gives us more credit for the sinking fund for the year just ended than we should have, because he has worked it out on the basis of the year to come. But anyway, the Bermuda problem is not coming, Mr Speaker, because you see, although Bermuda may have had those problems and although the Bermuda issue may have arisen with a rising of the debt ceiling in law, we have not raised the debt. That is the reality, Mr Speaker. That is the reality.

1905 So when he raises this issue, what he does, Mr Speaker, is he sets himself up to shoot his colleague across the way. It is almost a bit like seeing that instance when Dick Cheney was going out quail hunting, Mr Speaker, and ended up shooting a Texas police officer because he really does incur in friendly fire.

1910 Debt is where it was, Mr Speaker. We have done the capital projects in the same way as Peter Caruana did them. So frankly I do not think there is absolutely any good reason for the passion that he deployed in suggesting that we had absolutely any problem whatsoever.

1915 He said that we have to be able to open the books of the Government. They are totally open. They just did not bother to open them, Mr Speaker. They are here, they are online – all the information is there in exactly the same way as Sir Peter used to craft it, when he used to bang the table and support it.

1920 And he says you have to be exemplary parents with demanding children – do not just say yes to things. Well, there are no goodies in this Budget, and as he knows, one of the reasons that they say that the wheels are coming off my industrial relations policy is because I do not just say no. They criticise me for both things – for saying no and because they say I am giving away too many things. They need to make up their minds.

1925 With him, I expect it. He used to say that I was the greatest Machiavelli in the world whilst at the same time saying that I was going to be Joe Bossano's puppet. Those contradictions are not new, Mr Speaker. (*Interjections*) But anyway, he has spent... *yo te lo mando despues...* he has spent the past four years saying that Joe Bossano is un-socialist, that he is working on the issue of the agency workers in an inappropriate way, that the Future Jobs Strategy was a disaster, etc. Something happened to him – not to Joe Bossano, not to any of us. Something happened to him. I do not know when it happened, but something has happened to him. Because I am the one who thought and who fought very very hard – I believed and like many others believe that Joe Bossano was worthy of recognition – I fought for his knighthood. You are fighting now for his canonisation. You are trying to make him a saint! You thought he should retire. You were part of the character assassination, by joining the GSD, that this man had overstayed his welcome. 'Voodoo economics', they used to say of him and now he says that the man is as a saint, Mr Speaker.

1935 Look, Joe Bossano has the satisfaction of going into his last two decades, I hope, as an elected politician – because I do not believe he will leave in 10 – knowing that he has persuaded everyone in the House that Brussels is a bad thing, when it was never like that; that the four golden rules on debt should be followed, Mr Speaker. This is really quite a remarkable achievement, but not just that – he has not just persuaded you on issues, on Brussels and on the golden rules on debt; he has persuaded you on socialism. In this place, people now come to outdo themselves as socialists! 'No, you are un-socialist because you have done that' 'No, you had a drink of champagne once, there was a bubble in it – 'It was Perrier.' – 'No it was champagne. You're not a socialist!' A remarkable achievement, Mr Speaker – a remarkable achievement.

1945 And perhaps it is because Mr Feetham did exactly what he told Joe Bossano he would do when he came back from the United Kingdom. '*Me voy a cargar al GSD*' – I am going to destroy the GSD! (*Laughter*) *iChapeau*, Mr Speaker! I was wrong – he is the most Machiavellian guy in town! My goodness!

1950 Anyway, people are now paid the full minimum wage. They do not have to suffer the ignominy of being paid the un-socialist half minimum wage by him. The only difference he says, Mr Speaker, is people used to go to the ETB asking for a job and they were sent to recruitment agencies. Well, Mr Speaker, perhaps the only difference is that they went to the ETB instead of his office, because in 2011 people were asked to turn up to his office for a pre-election job. If they had caught another hundred, Mr Speaker, we might have had it.

1955 But at least he had the human dignity to congratulate us in respect of the lowering of unemployment. We all agree that whilst there is one person unemployed, that is one person too many, but we are all happier – at least he and we are happier – that the number is down to 33 from the higher numbers and we will see what the quarterly average is, which is the figure that matters, Mr Speaker.

1960 He defended the record of the GSD in creating 8,000 new jobs in 16 years. I suppose by doing so he would think that we have double – two for the price of one – the good record because we have created 8,000 jobs in eight years. So good, I suppose, and he might one day bring himself to say that we did a little better.

1965 So there is no question of us nonetheless having gone down to a mad scramble to produce revenue from Government coffers by selling land to developers, by the way – absolutely none of that. But I will tell him that the other saint that he likes to create – the greatest Gibraltarian of all time, according to him – this is a direct quote from Sir Peter in 2006, who said:

The transformation of Gibraltar since 1996, has been possible in great measure because of the current Government's economic success, but also because of the Government's (sometimes criticised) policy of selling development land and rights to private developers, so that the proceeds can be invested for the benefit of the whole community.

That is the Government he sat with. That is what they did. So I do not suppose he is criticising that. But then again, he might be.

1970 Although in 2008, with him here – (*Banging on desk*) 'Aye!' – he said this, Mr Speaker. He went through all of those issues and he said: 'Government are now moving quickly on several fronts to rectify this policy failure' – which was not enough building of affordable homes.

However this justifiable criticism should not be abused by some and misunderstood by others to justify criticism of the huge amount of private investment that there is in real estate projects in Gibraltar. Apart from reflecting huge international investor confidence in and support for Gibraltar, it represents massive present and future economic benefits for Gibraltar, a very significant increase in Government revenues, in jobs and in investment in our commercial, urban and utility infrastructure. The economic benefit to Gibraltar of projects like the Eastside, the Midtown project and the Mid Harbours project is truly huge and will guarantee this community's economic and social prosperity and therefore its political prosperity for a long time to come. International investment is vital to our economy, to people's employment, to people's businesses, to Government revenue and thus to public servants and users of the public services. In short to each and every person in Gibraltar now and in the future.

Sir Peter Caruana, with Daniel Feetham sitting next to him saying, 'Aye, aye! Hear, hear!' Are they all listening? All the ones who said it was terrible to give stuff to developers, not just him, Mr Hammond and all the rest of them, because Sir Peter went on:

It is therefore unforgivable to trivialise this investment by pitting it in people's minds against the environmental, social or housing needs of the current local residents. The Government will ensure at all times that these investments deliver the economic benefit to Gibraltar whilst also ensuring that local needs and interests are protected.

1975 And what did he say then? 'Hear, hear!' (*Laughter*) Remarkable Mr Speaker! Remarkable!

Look, Mr Speaker, he is a hero worshipper who has to deal with the things that Mr Caruana said – that Sir Peter said. Look, he said them: you hero worship him; you have to support them.

1980 I think that the things Joe Bossano said were the right things and I have always supported them and I have criticised some of the things that Peter Caruana has said. But sometimes when criticisms are levelled at us for doing the things that we did not criticise them for – because he

was actually, if you go on, talking about people outside the House who were saying that, not us – then they have to recognise that they are now criticising us for the things that *they did*. That is the reality. That is why we are different to them. We are consistent in Opposition and in Government. Even when I do the calculation of the debt *per capita*, I say this is wrong but you did it, so I want to do it, so people understand that by your measure, this is what is happening.

And yet they are taking different positions. They took one position, Mr Speaker, and then they took another – and *then*, Mr Speaker, he said, ‘You have been too lenient on senior members of the Financial Services Commission in the past.’ Darth Vader was back in the room, Mr Speaker. The fear factor returned, Mr Speaker.

I thought he did not need to do that and it was unnecessary, especially given the comments he made later.

But Mr Speaker, it is very clear to me that he does not understand what Joe Bossano is saying if he thinks that Joe Bossano agrees with him. He should have worked out that Joe Bossano was not here for a reason, Mr Speaker. He could not bear to waste time to hear *any* of them! He does not think it is a worthwhile use of his time. It is better spent trying to drum up business and work for Gibraltar than to come here to listen to them now say that they agree with him, when they went to an election to say that he should be kicked out. (*Interjection*)

Anyway, he said that popularity can be lost easily. I fully agree. I approach the next election, as I do every day, knowing that I have to earn every day the trust of everybody who has elected me and those who did not elect me – because I work for absolutely all of them. So popularity can be lost easily. We will see who has lost popularity and who has gained popularity, Mr Speaker, and we will see who forms the next government. We should not even have bets on that. I would like us to form the next government. I want to persuade everyone that we are the best option for Gibraltar. If anybody bothers to read the morality play, if they bother to watch what I have done in the past few hours, they will know that we have told them the truth from 1995 through to now, and that that analysis bears out that we should be trusted again in the future – if economics is what is going to make an individual’s mind up; they might make up their minds on something else. But I approach this from a position of full and utter humility. An election for me is a job interview. We each have to persuade, and who will be the best is a matter that is still to be determined.

We do not want Gibraltar to fail, he said, Mr Speaker. Well, sometimes the things that they do are designed to *make* Gibraltar fail. So when they say the things that they say about our public finances, about our debt, etc., about the structural things that matter, what they are doing is setting us up to fail. They need to think that through, they need to think beyond just the first move and maybe even beyond the next move. They need to think all the way through to the last move on the chessboard. A little bit like I tried to persuade him to do in 2001 and he would not do it.

Mr Speaker, he then revealed the great secret, that he was prepared to work with us in the government of national unity. I do not think it was secret; I think he said so before. I think he has said so before. I think he has said it across the floor of the House. Well, Mr Speaker, we were not prepared to consider whether or not we needed to have a government of national unity. We did not need one. We have brought Gibraltar to where it is today and I think we have demonstrated that we have done a very good job in doing so.

Mr Speaker, the hon. Lady spoke last. I congratulate her on speaking last, because I know even that was a subject of huge controversy in the past week. So I genuinely congratulate her, at least even on that.

She said that there was a general mismanagement of everyday affairs. I suppose an Opposition Member needs to say things like that, even if they are not true. There may be issues which need to be better addressed. I think all Ministers have recognised that in their statements. But there is not a mismanagement of affairs.

The amount of money going to companies is £25 million a year and going up further. Yes, I said so, and I explained, Mr Speaker, in my statement that we were the first ones to introduce

this for the reasons that I set out, because we found that the GSD had created companies that incur recurrent expenditure but they were not funding them. So when we were elected in 2011, we added this £25 million line so that the companies do receive, structurally now, year on year at least that £25 million. We are upping that because it is now eight years on and we are putting it to £30 million.

Mr Speaker, additionally, the debate about Government companies and the numbers that have been incorporated, I have to say to her, is the debate that I have been having with Mr Clinton almost since 2011 and it is absolutely true that the Government companies, some of them, have not filed accounts for the reasons that I told her.

But let me just give her this additional twist, which she will enjoy. They are the ones – the GSD in government are the ones – who changed the law to require all companies, including Government companies, to file accounts. They did not do it because they wanted to; there is a European directive that requires it to be done and there is no exception for Government companies. They are the ones who said that they were going to make sure that accounts continue to be filed – the GSLP in Government without that legal requirement had filed all of the accounts of the Government companies. The GSD get elected, legislate to require everybody else to do it and then do not file another Government company account since 1996. Remarkable! That is why it is taking us so long to file them, because some of the companies are the head of these groups and you need to reconstruct 16 years of accounts in order to be able to then file the accounts – but I have been saying that to Mr Clinton now for some time. A lot of these accounts are now already public and filed at Companies House. Mr Speaker, as I have said, I hoped it would have happened by this debate. It will happen before the end of the calendar year. All of the accounts of all the companies will be filed.

Mr Speaker, the mortgage over Gibraltar Investment Holdings Ltd relates, which she referred me to, refers to the borrowing of ES Ltd. Although it is termed to be in an unlimited amount, the terms of the borrowing mean that the enforcement can only be against the assets of ES Ltd – but ES Ltd is owned by the top company in the group. So she has the confidence that the debenture, the mortgage, is over the assets of ES Ltd. There is a drawdown, which I told the House can go up to £58 million. I told the House that this was for the distribution system that we had added to the works of the power station. It is repayable over 10 years post-construction. The facility is at a margin of 2.98% over LIBOR, so that she sees that we do also have a repayment plan, Mr Speaker, and this is all with Lombard in the UK. If she looks a little further and she searches ES Ltd, she will see that the same thing exists over ES Ltd. This is just a question of being able to have it over ES Ltd and its parent, but the recourse is only to the assets of ES Ltd.

The hon. Lady's party talking to us about the old town and the need to refurbish the old town and investment in old properties as a landlord: Mr Speaker, it is also true that she has people in her executive who are landlords who own property in the old town, who are not carrying out refurbishments. I think she needs to look a little bit closer to home to get them to have the same encouragement to do that which she is encouraging us to do.

Similarly, issues relating to the environment: I know that she has people in her executive, Mr Speaker, who urge environmental awareness on us and all the rest of it; but then they build on gardens and green areas and require 12 times the power that every flat in Gibraltar requires. Look, let's try and get the balance of criticism versus actual action right, Mr Speaker.

I think she is wrong about the Catalan Bay tender. She is falling into the Clintonian trap of saying that she *discovers* things that people say. So when somebody does something openly and honestly and says, 'Look, I am thinking of putting together a consortium to produce affordable housing for people in this area. If I did and if I approach the Government, would you be prepared to be one of the purchasers?', she is starting to see that negatively, when actually it is very transparent, it is very open and then it leads to a tender, rather than anything else, which then has not been awarded. So I think all of her conclusions were, I think, unfair.

She has been alone in this House, Mr Speaker, for three-and-a-half-odd years. She was only joined by the warmth of Mr Llamas for ... I do not know if it was a few months or a few days, I

2085 really forget – the lifetime of this Parliament is such a hurly-burly that I forget for how long she was accompanied by him – but she deserves respect for seeing through much of the nonsense that the people sitting alongside her have brought to the equation. She has listened to both sides, she has made up her own mind, she has voted with them and she has voted with us, and she deserves respect for doing that for the lion's share of the lifetime of this Parliament. Of course, every time she voted with them, she was wrong, Mr Speaker, and every time she voted with us she was right.

2090 She is not right to say that there can be somebody on £145 of pension a month in Gibraltar. If that person is somebody who she has come across, she needs to refer them to us because the measure that we put in place means that people get, if they are living on their own, one third of the minimum wage; if they are living as a couple, at least the minimum wage. That is in the region of £11,000 or £12,000 if it is a couple or in the region of £7,000 or £8,000. So I think that we need to work together to try to identify if there is such a person.

2095 For that reason, she is also wrong about my commitment to the private sector pensioners. There are two aspects to this: going forward the Private Pensions Bill, which is before the House; going backwards, those who have worked but did not have a final salary pension and who did not have a contributory pension or had a very low one – they now have an uplift of the minimum wage, so that which is £12,800-odd a year or so, they all now have as a minimum guarantee in the mechanism that we have announced previously. So I think that is a huge step forward for the most needy.

2100 Now look, what Government cannot do is provide a huge amount. I mean, some of these people I have heard want £26,000 a year, is the number that I have heard bandied about, just given out of the Government's largesse because they did not make provision for themselves. Some of them very unfairly would not have been allowed to make provision for themselves by their employer. They might have been in low paid jobs. Some others, Mr Speaker, who were in higher paid jobs did not take up the option of having private pension plans with their employers and now want the Government to Rolls-Royce up the amount.

2105 So there are people with real merit in this class and there are people with less merit. The Government cannot give Rolls-Royce sums. The Government gives sums which are representative of where the level should be in the economy. Some of the stuff that she is saying is reminiscent to the Action on Poverty group. We cannot be suggesting that the line on poverty should be drawn above where the minimum wage is, because the minimum wage might be earned by somebody who is a young person married to another with children and they have got the minimum wage at home, and we say that is below the poverty level for a pensioner who has not got his children living at home, etc. and the costs are lower. So we have got issues there that we need to disentangle to get from wanting more to actually needing more.

2120 Where the Government can interfere, where the Government has an obligation to interfere – especially if we are a socialist government, as we very much are – it is where people *need* more, not where people want more. I hope I have made that point in a way that does not in any way offend anybody's sensitivities, because I do not intend to, but this is also a hard issue of Government finance that has to be considered.

2125 She says housing is the biggest issue. Well, Mr Speaker, I think it always has been; in a place the size of Gibraltar, it always will be – apart from 1996 when Pepito Baldachino resolved the housing list issue, we hope and aspire to be able to do so again, but it is a very difficult issue, especially where people now try to get themselves on the list for affordable housing, not to live but to buy in order to be able to sell for much more later. So as I was saying before, you have got single couples who both put themselves on the list, they buy two apartments, they then live in one, keep one empty just to sell it for profit. That is not fair, Mr Speaker. It is something we should all deprecate, but that is why the 1RKB list is so high.

2130 We have not lost 500 jobs in the online gaming industry, Mr Speaker. Bet365 has given notice that it is moving some of its operations. That does not mean that everyone will go. I know that

she will join us in hoping that as many of those jobs stay in Gibraltar as possible, but we have not lost the jobs.

2140 She says we are not doing enough for tourism, but yet we are the only Government to have opened two new attractions and the first new hotel in 20 years, the Sunborn, then the second new hotel in 20 years, the Holiday Inn, and with two more in construction, the Indigo and the Leicester Hotels.

2145 She then went through – I think very generously in the way that she did it, because of the very kind way that she spoke about Samantha Sacramento and Neil Costa – some of the issues that she was experiencing in health and in housing in detail. What I will do because she was quite detailed and quite constructive in the way that she approached it, if she does not mind I will send her the answers I have been given to read to her. I think there is no point my standing here and reading it to her. She wants those answers, she asked those questions, so I will let her have them so that she can pursue those issues further with the relevant Ministers as she has been doing to date.

2150 She said some things which we cannot leave unanswered. We heard her talk about her vision for people with dementia, which is identical to the vision that we have and the work that we are doing with GADS and supporting GADS. We are the ones who have opened these facilities. So I think it is fair for us to call her out on that and say, look, that which you are saying is your commitment is that which we say is our action delivered and already improving.

2155 She made an allegation of a senior official being enriched. I think she needs to think again whether she wants to stand by that allegation. I do not think it is fair to have made that allegation.

2160 Her reference to a person begging to be allowed into Bruce's Farm is one on which she and I are going to disagree. I think it is abusive to use somebody ... Not she, but somebody else was trying to use them by creating that video and then threatening me personally by private message with sending it out to go viral unless I acted in a particular way. I think it is unfair to use vulnerable people in that way. I am not saying she did that. I am saying somebody else did that. But she needs to be careful not to fall into the trap of that happening.

2165 Mr Speaker, we are not being opportunistic on St Martin's. We have worked with the people at St Martin's to do the best possible plans. There have been many iterations of those plans. The best iteration required certain things to happen before we could start the works and we are going to produce the best possible St Martin's that this community can afford.

2170 But she is chasing us on when Governor's Meadow at Rooke? Well, look, Mr Speaker, I will only tell her this once: she stood on a manifesto that did not have any of this. She stood on a manifesto that there was not going to be a St Martin's. She has then developed her thinking, very well if I may say so, but she stood on a manifesto where these things were not a priority. We have not abandoned the Governor's Meadow at Rooke. That was never our plan. That was the plan that they had in ... I said 'manifesto'; I shouldn't have said that – in their *pamphlet*, Mr Speaker. So we have not changed that.

2175 She says, 'Look, the idea of two schools next to each other is not a good thing. You shouldn't have done that.' Well actually, Mr Speaker, it was their plan. It was their plan that the manifesto/pamphlet on which she stood contained the mega-school, so on that I am afraid I have to call her out. The Department of Education is a policy-driven Department. It is not driven by absolutely anything else, Mr Speaker.

2180 So as I... as I told her, Mr Speaker, I will provide her with those answers in slower order so that she can pursue them in relation to the other Ministers that she had questioned. I really do *not* agree that we are damaging Gibraltar beyond measure. I think we are *improving* Gibraltar beyond measure.

2185 Mr Speaker, the one thing that she did which others did not do was to pick up my invitation to reflect on where we are 50 years on. Mr Speaker, I thought it was helpful that somebody realised that the great importance of this debate in its historical context is to look at where we were 50 years ago. She is intimately related to somebody who was here 50 years ago, also

arguing with each other, also trying to make the best, also pursuing the adversarial way of doing politics 50 years ago, as Mr Feetham was reminding us we have to do today – perhaps in a slightly different style. Perhaps we all try and remember the past as if it were better than the present, but that is what they were doing.

That year they had a deficit of £352,000. This year we are going to end the debate with a surplus – not a mirage; a surplus – of £85 million. It is worth doing the exercise that the hon. Lady accompanied me on of going back 50 years to see the progress of this community.

Mr Speaker, in winding up for the Government, I would really want to go back to something that a now absent member of the GSD from this House said some years ago. He said, ‘The GSD has left a golden legacy.’ All that glitters is not gold, Mr Speaker, because if we apply the Clintonian argument to that golden legacy in the same way as it has been applied to us, there was no legacy to speak of. There was a £100 million accumulated deficit.

It is not that it is not glittering, Mr Speaker; it is that it is not gold – not even red, gold and green like in *Karma Chameleon*, Mr Speaker. What these estimates pretend to be is not gold. These estimates pretend to be a proper reflection of the grit and graft of the past year of everyone in our economy – of everyone in our economy; we are not saying it is us. They used to say, ‘Look at what we have done.’ We are saying, look at what we have *all* produced – the person who is working in retail, the person who is working in an office, the person who is working in the public sector. Look at all of us. Look at what we have done *together*. In particular, I say it in the context of the last 50 years – not gold, but grit and graft. The reality of a community grafting hard to make ends meet.

That is why, Mr Speaker, we are not pretending, as they used to accuse us of, of having gone from debt to the land of milk and honey when we took over. Remember that criticism, that old chestnut, Mr Speaker? That is not what we are talking about here. This is the work of everyone in our economy.

This is working for our money, not milk and honey, and for us as Ministers of the Crown, Mr Speaker, it represents a great honour to be able to present these estimates to the House, after the last four years of work – the last eight years of work, the last eight years of achievement. And to have done that, Mr Speaker, to hear a collection of vacuous arguments identical to other years, I suppose is to be expected. To hear a twisted perversion of the reality of the economic wellbeing of our nation, inspired by a Victorian novel referred to us four years ago about Micawber and how he always needed to ensure that he collected more than he spent, as if we had not worked that out – to hear that morass of contradictions which I have pointed out, threaded together by the irresponsibility and political ambition unleashed by some on the Opposite benches is really soul destroying for us, because we would rather have a different debate. We would rather have a debate where we argue about the issues, so that we are improved all of us together by that debate. But what they are trying to do, Mr Speaker, in trying to destroy confidence in public life and confidence in politics, is not going to be good even for them if they were to achieve it.

They say that we are not transparent. I have done, in the time since I have been Chief Minister, 30 *Direct Democracies*. Here I have got the protection of the Rules of the House. On television, I have got no protection whatsoever, and I put myself out there – even last week. I put myself out there at any moment and I say, ‘Ask me any question you like and I will try and give you an answer.’ If it is not an area of my responsibility, I will try and find out. But it is also my area to have responsibility for most of what is going on and to know what Ministers are doing. We are a collegiate government, we sit together every Monday. We know what we are each doing. I am able to give the answers. *Thirty* of those programmes – that, Mr Speaker, demonstrates our commitment to transparency.

I have never hidden away and there is no need for me to hide away, because despite some of the ridiculous innuendoes that we have heard from hon. Members opposite, we always conduct ourselves in keeping with the highest standards of public life – every single one of us on this side

of the House; not just because the public expect it of us, but because we expect it of each other.
Because each of us expects it from ourselves, Mr Speaker.

I have heard it said, during the course of the debates over the last four years, that we campaigned in poetry and we govern in prose. I really do not think that is right. When people go back to look at the debates between 1991-95 in particular and now, I think they will find that at least in these debates we have been poetic in the way that we have represented the economic performance of our people and poetic in the way that we have always defended the truth, as an analysis of the last 30 years of this debate will show, going back to the days that Joe Bossano was being accused of creating optical illusions.

But that happens, if you have 10 Ministers working hard, none of them sitting at Timeout, skiving as they had one particular Minister in the time that they were in government, then you get the results, Mr Speaker. Today, Mr Speaker, we are united. They are *totally* divided. When people come to choose who should lead our nation in the future, do they say, 'Shall we choose a united army or should we choose a divided army?'

I am told that Roy hates Keith, that Keith hates Danny, that Danny hates Lawrence, that Lawrence hates Danny, that Danny also hates Damon, that Damon does not know who he hates, that Edwin is not liked inside but quite likes everybody, and that Lawrence has now come to the conclusion that he hates them all and he is going, Mr Speaker. Well, hate is a strong word and it should not be relevant to any of us, but they are desperately divided.

And divided as they are and with the economic performance that we have before the nation, it is clear that they can really beat us with lies. They can only beat us with lies, but it is more complex even than that because they are also recanting all of the articles of faith that they had sworn between 1995 and five years ago. Because they are doing aside with Caruana economics, they are coming to Bossano economics, and the GSLP economic rules from 1995 are now the bible.

And yet even so, the only way to beat us is to lie. They are going to go out and tell the same lies they told in 1995. In 1996 they beat us with those lies. They beat Mr Feetham – the other Mr Feetham, and he decided to follow that old maxim, Mr Speaker: 'If you can't beat them, join them.'

We decided to stand and fight. We decided that we could beat them with the truth and we would and in the early hours of Friday, 9th December 2011, beat them we did, Mr Speaker – with the truth.

This has been a really horrible four years, Mr Speaker. We have had the *horrendous* issue of Brexit. We have lost Juan Carlos, we have lost Angeles, we have lost good people, but we have not lost our convictions. We have not lost our convictions.

They beat us with lies once, but we will never, *never* let them beat us with lies again. We will never allow that to happen. They can beat us with ideas, but we will never let them beat us with lies again.

We will point out every single deception. We will point out every lie they tell about debt. We will point out every lie that they told about illusions and that they are telling now about mirages, which are just recycled and unoriginal. They have, Mr Speaker, once again demonstrated that they have all of the *mala leche* and none of the brains of the GSD of 1995. This community was duped once and we will not allow it to be duped again. Then it was Freddie, Keith and Peter. Now, it is Roy, Keith and Danny.

Mr Speaker, in the end, with the analysis I have done, I have demonstrated that they are just men without convictions, who cannot sell their contradictions. And I hope that people, when they do the analysis, will allow them to come and go, to come and go, but they will never put their trust in them.

Not us, Mr Speaker – we are constant. We are constant in our political and financial principles, we are constant in the defence of our people, we are constant in the defence of every single aspect of our sovereignty and our identity as a people. That is why we govern in lyrical poetry, Mr Speaker. They are the talkers and we are the doers. We do things. We leave a legacy

of schools and parks and health centres. We leave these for people to enjoy, to benefit with and to grow Gibraltarian families in them, and we leave them to talk about how it has been done.

We leave them to say, 'It is done properly when they are here and done improperly when we are here.' All they are, at the end of the day and all they have demonstrated in the past 72 hours is that they are just our critics. But they are not our rivals because they have no plan to rival us. Mr Speaker. They have not got a philosophy, they have not got an ideology, they have not got a clue.

They quote Joe Bossano at Joe Bossano, and we have to quote Peter Caruana back at them, Mr Speaker. Then they say that we are wrong about the Savings Bank, we are wrong about the Future Jobs Strategy, we are wrong about agency workers, we are wrong about commutations, we are wrong about credit finance and we are wrong about community care – and then they say that Joe Bossano is right about everything, when he has done all of those things, Mr Speaker.

People see through this. There are too many episodes of this saga now and people see through this, Mr Speaker. I do not think they can persuade anyone that Joe Bossano wants a GSD government, Mr Speaker, but if they have such a high regard for Joe Bossano, they should emulate what he does when the vote is called and they should emulate his remarks when it comes to vote.

They cannot reconcile what they say on Monday, from what they say on Tuesday, from what the other one will say on Wednesday. Some of them said things in the morning which were different from some of the things that others said in the afternoon. That is the reality and that is why they are our critics, but they are not our rivals, Mr Speaker.

It has been a *precious* honour, Mr Speaker, to deliver eight successive Budget addresses to this House, as Chief Minister and Leader of the House – all of them with surpluses, unless none of them for the past 30 years have been with surpluses.

It has been a precious honour, Mr Speaker, to be a legislator for this community for the past 16 years, representing our people in various roles in this place and I face the electorate, Mr Speaker, with the humility of having done as best as I could, as I was humanly possible, in the last eight years.

Mr Speaker, in winding up the debate, this nation deserves to congratulate itself, not to talk itself down as they are suggesting. Of course we have to be careful. Of course we must heed Sir Joe's warning. Sir Joe is here giving the warning on our behalf and to them too, Mr Speaker. We are giving this warning as a Government. That is why this is a Budget designed to be sustainable: a careful Budget designed with the long term in mind, taking seriously our responsibility to deliver a long-term, sustainable Gibraltar, for all of us to have the economic strength. That is why this is not a Budget with election goodies. This is no Budget of giveaways, but a Budget of opportunities, making sure every capital project is properly funded, making sure the rainy day funds are properly maintained, making sure we protect the Gibraltar that made us strong so it can make our children strong too, because we must think of the *next* generation, not of the next general election in a debate like this, Mr Speaker.

Every morality play ends the same way. In the end, the truth will out. That is why we will win the next general election, because the people of Gibraltar are no fools. Because we will fight it with the truth as our sharpest weapon, because we have told our people the truth at every turn, even in these politically challenging times. That is why we have earned the respect and support of our community, with hard work, with dedication and principally with humility.

We have batted it out of the park in economic performance, Mr Speaker. We have batted it out of the park in creating employment. We have batted it out of the park in new services for our people. We have earned four more years, Mr Speaker, with dedication, with commitment, with hard work and because, Mr Speaker, the best is yet to come.

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

Mr Speaker, perhaps to give people an opportunity to have a bite to eat and to give me an opportunity to have some water, can I suggest that the House return at –

Mr Speaker: Before you do that, I have to put the question. (*Interjections*)

2345 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 2020 be read a second time. Those in favour?

Hon. Chief Minister: I call a division, Mr Speaker.

2350 **Mr Speaker:** You want a division. Very well.

A division was called for and voting resulted as follows:

FOR

Hon. P J Balban
Hon. Sir J J Bossano
Hon. Dr J E Cortes
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. F R Picardo
Hon. Miss S J Sacramento
Hon. Ms M D Hassan Nahon

AGAINST

Hon. R M Clinton
Hon. D A Feetham
Hon. T N Hammond
Hon. L F Llamas
Hon. E J Phillips
Hon. E J Reyes

ABSENT

Hon. N F Costa

Mr Speaker: There is one Member absent. There are 10 votes in favour, 6 against. The Second Reading of the Bill is carried.

2355 **Clerk:** The Appropriation Act 2019.

**Appropriation Bill 2019 –
Committee Stage and Third Reading to be taken later the same day**

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.

2360 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

Mr Speaker: Therefore I ask the Chief Minister, we recess until ... ?

Hon. Chief Minister: Three o'clock, Mr Speaker.

2365

Mr Speaker: The House will now recess until three.

The House recessed at 1.55 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.06 p.m. – 5.03 p.m.

Gibraltar, Thursday, 13th June 2019

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The Gibraltar Parliament

The Parliament met at 3.06 p.m.

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

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

Order of the Day

In Committee of the whole Parliament

Appropriation Bill 2019 – Clauses considered and approved

Clerk: Committee Stage and Third Reading. 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: the Appropriation Bill 2019.

Clerk: A Bill for an Act to appropriate sums of money to the service of the year ending on 31st March 2020.
Clause 1.

10 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 2. Head 1, Treasury – subhead (1) Payroll; subhead (2) Other Charges.

15 **Mr Chairman:** The Hon. Roy Clinton.

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

20 Talking about insurance, I appreciate that the Insurance Fund will be converted today or tomorrow but could the Government explain, under Other Charges there is item 3, Insurance Premiums and Claims, which last year was £408,000 and this year is going to be £700,000 in the estimate, and yet further down, on the next page, on 12, we have the Government Insurance Fund, which also has amounts appropriated to it. I would just like some clarification. If the Government is self-insuring, why is there another line 3?

25 **Hon. Chief Minister:** Because, Mr Chairman, only one of them is self-insuring. One of them is the property insurance and the other one is insuring for the lives of civil servants or public sector workers who die at work.

30 **Hon. R M Clinton:** Mr Chairman, I am grateful to the Chief Minister for his answer. Could he indicate which one is which – which one is doing the property which one is doing the lives?

Hon. Chief Minister: Mr Chairman, the first one is property and the second one is life. The other way round?

35 **Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano):** It says it clearly: it says 'Insurance Fund'.

Hon. R M Clinton: So, Mr Chairman, if I understand correctly, the first one, Insurance Premiums and Claims, is the property one, and the second one is lives.

40 The Government will appreciate lives are obviously a lot more complicated to insure for, sometimes. On what basis is the charge calculated? Is there some actuarial advice that the Government receives?

45 **Hon. Sir J J Bossano:** I think when we started the Government Insurance Fund it was after getting quotes and it was felt that the lowest quote was still too high, so the original sum that was put in, in the first year, was under the lowest quote and we then found that in fact at the end of the year very little of it had been needed. This year it has been reduced slightly simply because we have had three years where the money going out has been less than the money coming in. That is how it was done. It was not actuarial; it was on the basis of putting a sum of money below the lowest quote.

50

Hon R M Clinton: Mr Chairman, I am grateful for the Father of the House's answer.

If I can just ask one last question on this: in terms of life, are we talking about death in service, injury? What sort of life cover is being provided here?

55 **Hon. Sir J J Bossano:** It covers all of the categories that he has mentioned, because in fact there are only two kinds of insurance: the one that he has mentioned for accidents at work or anything else, and the other one is just property.

Hon. Chief Minister: This is just death in service.

60

Hon. Sir J J Bossano: It is death in service only. No, it is only Government employees that are covered for this one, for the Government one.

Mr Chairman: Head 1 stands part of the Bill.

65

Clerk: Head 2, No. 6 Convent Place – subhead (1) Payroll; subhead (2) Other Charges.

70 **Hon. T N Hammond:** Mr Chairman, referring to line 7(b), Other Grants and Donations, there is a 35% overspend on the estimate. Can I ask what caused that overspend? And is it possible to obtain a list of what grants and donations were given?

Hon. Chief Minister: Mr Chairman, the position in relation to a list of grants and donations remains exactly the same as it has been through successive administrations. I am happy to tell hon. Members opposite what they are behind the Speaker's Chair, but we will not publish a list.

75 The increases relate to the approaches Government has had in respect of this area of grants.

Hon. T N Hammond: Sorry, Mr Chairman, I do not think the question was really answered. I accept the first part of the answer, of course, and will request that behind the Speaker's Chair.

80 Presumably at the start of the year it was set out to have a budget of a million pounds in the estimate for that – the previous year it was around a million pounds, but this year it has quite significantly increased. Is that down to one single additional grant or several grants? There must be a reason for the overspend.

Hon. Chief Minister: A number of additional requests for grants and donations which have been considered meritorious, Mr Chairman.

Hon. E J Reyes: May I, Mr Chairman? On subhead (7)(a) under the heading of 'Gibraltar Regiment', I know the Chief Minister and I have had occasion to be at social events where the regiment has tried to appeal for funds to go towards Grand Battery House – is this in any way connected with Grand Battery House, or is this one that ...? I know the Gibraltar Regiment have been included for many years, but given the recent requests that have come up for Grand Battery House I wonder whether that is the same.

Hon. Chief Minister: No, Mr Chairman, that is somewhere else; I will find out where that is. This, from memory, is the cadet scheme that is run through a donation from No. 6 Convent Place. I think it was agreed in their time and we have continued it. I think it is a very valuable contribution that they make to young people in Gibraltar, who sometimes will then decide to continue in the regiment. It is a recruiting tool as much as it is an educational tool. It is £80,000 this year, which is not a bad figure given that we are celebrating the 80th anniversary of the regiment.

Hon. T N Hammond: Mr Chairman, moving on to line 8, Research and Development Studies and Professional Fees – again, a significant overspend on the estimate – is it possible to have a list of what items were spent on in this regard?

Hon. Chief Minister: Mr Chairman, I do not think it is an overspend, in the sense that this is a demand-led one. This is not one we are able to estimate very particularly precisely, in some respects, because we have got professional fees and professional fees fluctuate, but if the hon. Gentleman will allow me, let me just check whether this is published. I think this is on our website.

Mr Chairman: Any other questions?

Hon. T N Hammond: Yes, Mr Chairman. For line 11, Government General Advertising and Official Notices, does Government have a particular reason for the increase in that particular budget from £400,000 to £500,000 for this next financial year?

Hon. Chief Minister: Mr Chairman, I think you will find that when we estimate that something is going to cost us £400,000 and then it costs us £450,000, the year before it having cost us £430,000, it looks like we are going to have to continue to keep in mind the possibility of these costs escalating. I think that is why we have conservatively estimated it at £½ million. I think the cost of advertising is going up as well, from memory, in all of the local and international media where we advertise, and for that reason we thought it prudent to ensure that next year we were closer to the estimate by going for £500,000.

Of course, these questions do disclose, Mr Chairman, how much of the detail of all of the accounts of Gibraltar is disclosed here, how much of the detail of all of the spending is set out in this Book and therefore why there is a very good reason for not believing that the accounts of Gibraltar are not entirely and completely transparently disclosed.

Hon. T N Hammond: Mr Chairman, is the principle that the Chief Minister has just described, with respect to using the Budget of previous years to inform the Budget of future years, one that they have applied throughout the Budget Book?

Hon. Chief Minister: That and other principles, Mr Chairman. This is not zero sum accounting. In other words, you do not start each year by saying, 'Right, how much will I spend on x?'

135 without looking at what you have spent in other years, because then you do not allow the history of the cost that you have incurred previously to in any way inform your ability to budget an estimate for the future.

140 So, the way it has been done under successive Governments – and I did an analysis during the course of my speech earlier, Mr Chairman, about how things were done before we were in administration and indeed before the former administration as well ... It has always been a question of looking at what the expense has been the year before, not a question simply, of course, of saying, ‘Well, give them an extra 5% and build year on year’ or ‘Give them an extra 10%’, but looking at what the expense has been, wondering whether it is going to go up by a rate of inflation or other costs, whether there are other incidental opportunities for it to go up or for it to go down, and then to reach a view as to what the number you should put in there would be.

145 The hon. Gentleman will therefore see that in some instances the number provided for next year, or for this current year that we are in, is higher, the same or lower than the year before, depending on the estimation – that the hon. Members opposite will recall I told them during the course of my opening address – we did very carefully indeed with all the controlling officers and with all the officers of the Government of Gibraltar who are responsible, and therefore why this Book does disclose so much of the detail of the accounts of Gibraltar and the spending that is done, and indeed the revenue.

155 **Hon. T N Hammond:** Mr Chairman, based on the principle just described, I presume it has not been applied to line 14, where we have consistently seen actual or forecast payments over £½ million and yet only a nominal figure resides in the estimate column of £1,000.

160 **Hon. Chief Minister:** Yes, Mr Chairman, it has been applied and it has been applied also to the one above, Contract Officers, where he will see that the figure goes from £95,000 to £89,000 and then down to £41,000, because the principle of an *ex gratia* payment is that ... Although you may see that you have consistently been paying about £½ million, the very principle of an *ex gratia* payment should suggest that you do not know that you are going to have to make it, and therefore what we have decided is that, as a matter of principle, that has to be led by things that may happen and not be led by the idea that just because we have had £½ million of *ex gratia* payments, more or less, in the past, we should allow the line to be infected in that way.

165 This is a different sort of expenditure to the expenditure that he is looking at in the other lines. This has to be a demand-led line and therefore, as we do not have in view at the moment any potential payments, we are estimating £1,000. I seem to recall that last year we already had an indication that there was litigation that needed to settle and we had an indication of where we thought it would settle, and that is why we were able to estimate. Otherwise, it is just something that will happen or not happen.

170 Mr Chairman, if it is helpful, hon. Gentlemen will see that not just in the capital account in the I&DF but also throughout the Book there are a lot of £1,000s. I suppose, Mr Chairman, in your time it used to be £100. It is like a token amount.

Hon. T N Hammond: Mr Chairman, yes, it is understood to be a token amount; that is why I asked the question.

180 On the principle again that the Chief Minister has just described for line 14, why would you not do the same and just put a nominal amount in the insurance column, knowing that that is demand led also?

185 You have just described a principle where the *ex gratia* payments, despite history showing that they are, at least over the last two years, over £½ million in each year ... You have included a nominal figure, a nominal amount, for the estimate because you say it is demand led. In other words, it is theoretically possible not to have any *ex gratia* payments, albeit history for the last two years at least has shown there have been significant amounts in that area. The same could

be said when you self-insure. You put a nominal figure because you do not actually know that you may have any – let me finish, please ... that you do not actually expect to have any claims. It is a similar principle – that is what I am saying – so why would one have only a nominal, knowing that the history has been more expensive than that, whilst for the other you have put a figure into the estimate?

Hon. Chief Minister: Well, Mr Chairman, because he has completely misunderstood what the other two are. The other two are very clear and fixed amounts: they are the amount of the premium in the context of that which is being obtained commercially and the amount we are putting into the fund on the basis of the fund that we have designed. So that is not demand led; that is the decision made at the beginning of the year to buy the premium from the third party at the fixed amount or to put the sum into the fund. The claims are either out of the fund on the one hand or paid by the insurance broker on the other hand. This is completely different. This is when you are not covered by insurance and you are making a payment *ex gratia* to settle a claim or other reason for a payment being made. So that is why those two completely different concepts in law are accounted for in a completely different way in the Book, but if they have difficulty understanding the difference between those two then I understand now why it is that they do not vote in favour of the Book and they say some of the things that they say.

Hon. T N Hammond: Mr Chairman, I am really not sure why the Chief Minister gets so upset at this part of the proceedings! We are making inquiry on behalf of the people of Gibraltar just to try and understand. (*Interjection*) That does not mean that you should not make inquiry.

Mr Chairman, moving on to line 15, I noticed nominal figures have been put for the estimate last year and the estimate this year. 'Co-ordination of the Fight against Illegal Drugs' – I am trying to understand where the expenditure may come from and how the Chief Minister envisages using that particular line.

Hon. Chief Minister: Mr Chairman, I am concerned that hon. Members opposite think that we are upset. We are not upset at all; we are just flummoxed by their lack of understanding of basic principles. Sometimes when our jaws drop they make a sound, and the sound is the sound of those who are remarkably surprised that after three and a half years – in fact, the fourth exercise in budgeting that they are involved in; the third one where they are going to vote against on the basis that the information is not here, although they voted in favour the first time that this particular configuration of the team opposite assembled – they still do not understand these things. It is really, frankly, quite something because we have got £676 million of spending going through this Book and you would have thought that by now they would have understood it.

In relation to the simple question that he has asked now, it is very easy to explain. We are looking to change some of the ways that we do some of the co-ordination of the fight against illegal drugs. We are still considering whether it is something that needs to be done through the No. 6 head or whether it needs to be done through some different head, and for that reason we have continued to keep open a nominal amount. I think it is sensible to do that. I hope I have not upset him by giving him that answer, but given that he has already voted against this Book at the Second Reading on the basis that he says it does not contain all of the information of spending, I am surprised that they are looking at this with the level of scrutiny that they are. I am pleasantly surprised, because as I have said to them in the course of my interventions, there is £676 million of spending and the Book is prepared exactly the same way as it was prepared before. So, I am quite happy to answer the questions that they may have and encourage them to ask them, even though that then makes it impossible for them to argue that they are not able to look transparently at all the spending.

Hon. T N Hammond: Mr Chairman, just a question for you: is every answer going to be as long as that answer? We are going to be here for days if every single answer has to be as long as ... Surely the purpose is for the Members opposite to answer the questions put to them, not give a whole political diatribe for every single line that we challenge – not even challenge, just question – in the Book.

Hon. Chief Minister: Mr Chairman, I consider what the hon. Gentleman has said now to be a political diatribe and I think we are not going to be able to progress very quickly if every time I give them an explanation and I set in context what I am saying to try and make them realise that what they have said at the Second Reading makes no sense, we are going to find ourselves having to have the same argument.

I am paid by the people of Gibraltar to be here to account to them and everybody else, and apart from a parade to honour Her Majesty which I intend we should all be able to attend and the United Nations next week, I have got as long as they want.

Mr Chairman: Do you have a question for me? What is your question, please? I did not hear you.

Hon. T N Hammond: The question was simply, Mr Chairman, whether it is acceptable that every single answer to the question goes well beyond the remit of the question being asked, which is fairly limited with respect to the details of a particular financial line and has to become a long political diatribe on each and every question we ask.

Mr Chairman: I would expect hon. Members to be sufficiently grown up and sensible to deal with the matter as it should be. Committee Stage on the detailed Estimates of Expenditure is not the kind of debate that you have during the Second Reading of the Bill – that you ask a specific question and you should get a specific answer and that should be the end of the matter. If you do not understand the answer, you can obviously ask another question to try and get further information. I think if we all behave sensibly we might make progress; otherwise, you can be here until kingdom come.

Hon. Chief Minister: Mr Chairman, what the hon. Gentleman is saying to me is that he wants shorter answers from the Government. Given that what they ask for always is more transparency, I am quite happy to give him shorter answers and not set them in context if he does not like – it is up to him.

Mr Chairman: Any other question on this head? If not, head 2 stands part of the Bill.

Clerk: Head 3, Customs – subhead (1) Payroll; subhead (2) Other Charges.

Hon. E J Reyes: Mr Chairman, on subhead (2)(ii)(g) I see there is a 50% increase in marine expenses. Can we have an indication of what type of expenses those are? Is it running costs or is it purchase of new equipment, for example?

Hon. Chief Minister: It is £52,000 and it is estimated to be necessary as a result of the move of the Marine section of Customs, Mr Chairman. They have to get the boat, or some aspect of it, out of the water with a crane and that is the estimate of the cost of the crane and all of the ancillary moves.

Mr Chairman: Head 3, Customs, stands part of the Bill.

Clerk: Head 4, Income Tax – subhead (1) Payroll; subhead (2) Other Charges.

290 **Mr Chairman:** Stands part of the Bill.

Clerk: Head 5, Parliament – subhead (1) Payroll; subhead (2) Other Charges.

295 **Mr Chairman:** Stands part of the Bill.

Clerk: Head 6, Human Resources – subhead (1) Payroll; subhead (2) Other Charges.

Hon. T N Hammond: Mr Chairman, can I refer the Committee to line 5, Early Exit Schemes, and request an explanation as to why that particular line has almost doubled in two years?

300 **Hon. Chief Minister:** Because there are more in the exit schemes.

Hon. T N Hammond: Sorry, just so that I understand, it is simply that more people are leaving early and that more are anticipated to leave early in the coming year, that they have already given notice that they are leaving?

Hon. Chief Minister: Yes.

310 **Hon. R M Clinton:** Mr Chairman, just turning the page to page 33, I notice – it looks like a new line – Civil Service Awards and Years in Service Medals. Is this something new to introduce by the Government, in terms of awards?

Hon. Chief Minister: Mr Speaker, I understand this is an initiative from the Chief Secretary to introduce a method of recognition of periods of service of people in the Civil Service.

315 **Mr Chairman:** Any other questions?
Head 6, Human Resources, stands part of the Bill.

Clerk: Head 7, Immigration and Civil Status – subhead (1) Payroll; subhead (2) Other Charges.

320 **Mr Chairman:** Head 7, Immigration and Civil Status, stands part of the Bill.

Clerk: Head 8, Government Law Officers – subhead (1) Payroll; subhead (2) Other Charges.

325 **Hon. E J Phillips:** Mr Chairman, just insofar as Government legal officers are concerned and so far as the increase in salaries, does that represent the increase from the appointment of the Director of Public Prosecutions?

Hon. Chief Minister: Yes, Mr Chairman, this is three other new officers that are being added. I think two are some level of Crown Counsel and one is the DPP that is being added, but not at the rate at which it was sought that the DPP should be added. Hon. Members will know that during the course of my speech I alluded to a senior member of the profession who had wanted to be DPP and had wanted to be appointed. That was not agreed, Mr Chairman, and therefore the salary does not go up by the amounts that he had purported to have earned.

335 **Mr Chairman:** Head 8 stands part of the Bill.

Clerk: Head 9, Financial Secretary's Office – subhead (1) Payroll; subhead (2) Other Charges.

340 **Mr Chairman:** Head 9 stands part of the Bill.

Clerk: Head 10, Drug and Alcohol Awareness and Rehabilitation Services – subhead (1) Payroll; subhead (2) Other Charges.

345 **Hon. L F Llamas:** Mr Chairman, I would like to ask, with regard to the Head of Drugs and Service Probation, is this a new vacancy, a new post that has come in, or has it been transferred from another area into this head?

Hon. Chief Minister: No, Mr Chairman, this is the one that has been there all along.

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Mr Chairman: Head 10 stands part of the Bill.

Clerk: Head 11, Public Service Support Unit – subhead (1) Payroll; subhead (2) Other Charges.

355 **Mr Chairman:** Head 11 stands part of the Bill.

Clerk: Head 12, Office of the Deputy Chief Minister – subhead (1) Payroll; subhead (2) Other Charges.

360 **Hon. R M Clinton:** Mr Chairman, under Other Charges, line 9, ‘Work in relation to the planned UK departure from the EU’, I can understand it going up to £200,000 for the forthcoming year. I am now told that there is a million pounds within one of the other heads later on, which is supplementary provision 54. Are there any other provisions with respect to Brexit work or planning?

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Deputy Chief Minister (Hon. Dr J J Garcia): Yes, Mr Chairman, the provision which is shown there, of those £200,000, is a general Brexit vote in the central vote, as it were, in my office, and that may be used ... When it was originally estimated, we did not know how much of it we were going to use in the first year. We do not know how much we are going to use in this year. We have an indication from what has been spent last year. That does not mean we may not spend more this time round. But in terms of the expenses by the Departments, those are met by the Departments themselves. Different Departments will have budgeted for Brexit – by way of example, medicine or whatever it is – in their own area. So this is a central vote and Departments will use their own funding for Brexit as we go forward.

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

So, would I be correct in saying that in each individual Department they do not have a specific line, ‘Supplementary Brexit contingency’, but rather if there is a need to spend more, on medicines or whatever, it is just absorbed? *(Interjection)*

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Hon. Deputy Chief Minister: Mr Chairman, that is correct. There is no specific line, but if it is medicine it will come from the medicine vote.

Minister for Health, Care and Justice (Hon. N F Costa): I wish it were not so! *(Laughter)*

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Mr Chairman: Head 12 stands part of the Bill.

Clerk: Head 13, Civil Aviation – subhead (1) Payroll; subhead (2) Other Charges.

390 **Hon. E J Reyes:** Mr Chairman, in subhead (2)(ii), it just appears in the general heading of ‘General Expenses’, whereas for other heads under general expenses is then broken down into, for example, electricity, water, telephone and so on. Am I correct in assuming that all those

utilities will come in under that heading of general expenses or is 'General Expenses' catering for something else?

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Hon. Deputy Chief Minister: Mr Chairman, yes, the hon. Member is correct – that is the utilities, which are not broken down in this particular subhead.

Mr Chairman: Head 13, Civil Aviation, stands part of the Bill.

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Clerk: Head 14, Environment – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Any questions? The bigger the sum, the more quickly it is likely to go through! Head 14, Environment, stands part of the Bill.

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Clerk: Head 15, Utilities – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 15, Utilities, stands part of the Bill.

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Clerk: Head 16, Collection and Disposal of Refuse – subhead (1) Payroll; subhead (2) Other Charges.

Hon. T N Hammond: Mr Chairman, for line 2(b), Refuse Disposal, both disposal of refuse and disposal of other items, both seem to increase quite substantially in estimate for the next year. Is there a reason for that? Has a contract changed? What has happened to create that additional expense?

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Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): In the disposal of refuse we are looking at the increased amount of refuse, clearly, with new developments coming through. On the disposal of other items, we have reviewed some of the fees payable for the collection of certain items in order to reflect the passage of time and in order, in some circumstances, to reflect also the fact that in disposing of some recyclable materials there is more and therefore we have to reflect that increase.

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Hon. T N Hammond: So, for line (b)(i), the disposal of refuse, the increase is largely down to additional development construction works, and so clearly that is not accounted for within the development itself but is picked up as a separate cost?

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Hon. Dr J E Cortes: It is partly that. Obviously costs do increase, but clearly if we have the refuse collectors to collect more and from more areas, that is not picked up by the development; that has never been picked up by the development itself.

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Hon. T N Hammond: Mr Chairman, in terms of disposal of other items, I was not quite clear on what ... The Minister mentioned recycling, but that, we understand from his speech, is slightly down this year in terms of the total – not necessarily in terms of individual items of recycling but the total recycling is slightly down, but it is quite a substantial jump in that particular line from the best part of 30%. Could the Minister just clarify a little bit as to why that has increased so much?

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Hon. Dr J E Cortes: It is not just that; it is also that the amount of money that the Government has to pay for the collection, disposal and transporting of recyclable items – like WEEE, for example; glass I think is another one – has gone up in discussions with the people who handle that to collect and transport the refuse or the recyclable materials. There is a fee per tonne and we have had to renegotiate that, partly because some of the amounts of money paid

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445 at the other end per tonne have actually decreased and made the transaction less commercially viable, so we are constantly reviewing how much we pay per tonne depending on market forces.

Mr Chairman: Head 16 stands part of the Bill.

450 **Clerk:** Head 17, Upper Rock, Tourist sites and Beaches – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 17 stands part of the Bill.

455 **Clerk:** Head 18, Education – subhead (1) Payroll; subhead (2) Other Charges.

Hon. L F Llamas: Mr Chairman, with regard to item 13, Project Search, this is an item which has appeared in the Estimates Book for the last ... I believe this is the fourth Budget in which it actually appears. Is the Government truly committed to seeing this project lift off and actually have some charges, by the time the Budget comes next year, against that item?
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Hon. Dr J E Cortes: Mr Chairman, we are in fact carrying out a lot of the work that Project Search involves in other ways using other members of staff. So it is not that the work is not being done; it is a question of the fact that the work is being done and Project Search is one particular programme. Our programme is slightly different. But the work is being done; it is not that it is not being done. We are still considering whether to take on the full range of activities involved and that is why we have left it there as a token sum.
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Hon. E J Reyes: Mr Chairman, on subhead (2)(viii), Special Education Abroad, I see that the forecast outturn is actually less than what we had estimated previously and this year is in keeping with what the forecast outturn is. Am I correct in presuming it is because of the number of pupils requiring the special education that has lowered the figure, or is it because of some other policy decision?
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Hon. Dr J E Cortes: This is what we expect. We have fewer pupils doing this than we would have at the other time and we are hoping not to have to send ... This is the kind of situation where, if we find we have no choice, then obviously we will have to make the funds available, but we are not expecting that and we are hoping that we will not have to increase it again.
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480 **Mr Chairman:** Head 18, Education, stands part of the Bill.

Clerk: Head 19, Heritage – subhead (1) Payroll; subhead (2) Other Charges.

Hon. R M Clinton: Mr Chairman, if I could just ask about Other Charges (2)(b), the Garrison Library Trust. There is an increase there of £70,000. I was just wondering what is envisaged.
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Hon. Dr J E Cortes: The Garrison Library is one of the projects where we feel we have to up our investment in order to increase not only its role but also the ability for it to make some money and pay for itself by providing services and so on. So we are envisaging an increase in the activity and bolstering up the personnel of the library in order to make it run more effectively with the aim of bringing in additional income that can be used.
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Mr Chairman: Head 19, Heritage, stands part of the Bill.

495 **Clerk:** Head 20, Technical Services – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 20 stands part of the Bill.

Clerk: Head 21, Driver and Vehicle Licensing – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 21 stands part of the Bill.

Clerk: Head 22, Town Planning and Building Control – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 22 stands part of the Bill.

Clerk: Head 23, Statistics Office – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 23 stands part of the Bill.

Clerk: Head 24, Economic Development – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 24 stands part of the Bill.

Clerk: Head 25, Procurement Office – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 25 stands part of the Bill.

Clerk: Head 26, Housing Administration – subhead (1) Payroll; subhead (2) Other Charges.

Hon. E J Phillips: Mr Chairman, in relation to the establishment, we note that there have been no increases to the staffing arrangements at Housing, however noticed a 44% increase from the forecast outturn 2018-19, from £431,000 to £620,000. Can the Minister explain the 43% increase?

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Chairman, the complement remains the same but the increase is attributable to previous vacant posts being filled.

Mr Chairman: Head 26 stands part of the Bill.

Clerk: Head 27, Equality – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 27 stands part of the Bill.

Clerk: Head 28, Health – subhead (1) Payroll; subhead (2) Other Charges.

Hon. R M Clinton: Mr Chairman, just one very quick question. The contribution to clubhouse, would that come through here or somewhere else? I do not see it listed.

Hon. N F Costa: Mr Chairman, the grant comes through No. 6 Convent Place, not through the GHA.

Mr Chairman: Head 28, Health, stands part of the Bill.

Clerk: Head 29, Gibraltar Health Authority Elderly Residential Services Section – subhead (1) Payroll; subhead (2) Other Charges.

550 **Mr Chairman:** Head 29 stands part of the Bill.

Clerk: Head 30, Care Agency – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 30 stands part of the Bill.

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Clerk: Head 31, Policing – subhead (1) Payroll; subhead (2) Other Charges.

Hon. E J Reyes: Mr Chairman, on subhead (1) Payroll, under the section ‘Establishment’ I see there is a supernumerary staff which, for this year, sees a superintendent. Is that just going to be a short-term appointment? I am thinking it could be a handover period from an established superintendent to a newly promoted one – or is it something that we are likely to see in the future?

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Hon. N F Costa: Mr Chairman, it depends on the length of the investigation.

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Hon. E J Reyes: So it is demand led, in a nutshell?

Hon. N F Costa: Yes.

570 **Mr Chairman:** The Hon. Mr Hammond.

Hon. T N Hammond: Thank you, Mr Chairman.

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Under Other Charges, (2)(c) Investigation Expenses, I know there was quite a leap in this past financial year. I appreciate the sensitivity of investigations, which may also be ongoing. Is that down to one investigation or was it a case that more investigations were taking place during that year?

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Hon. N F Costa: Mr Chairman, I am working from memory, other than the fact that we have an expense of £182,000 in respect of forensic accounting and £170,000 in respect of laboratory fees, and the projected for December 2018 to March 2019 is £35,460. I am sorry, I cannot remember exactly the number of ongoing investigations. I do recall it is more than one investigation and I do recall that the costs of being able to trim down to the relevant aspects that the RGP required is costing quite a bit of money.

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Hon. T N Hammond: That is fine. So it is basically down to more activity and possibly more complex activity as well taking place during the year. That is perfectly reasonable.

Also, still under policing, Mr Chairman, under line 8 for the Gibraltar Police Authority I note there is quite a significant drop in their estimate for the next year. What is the reason behind that?

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Hon. N F Costa: Mr Chairman, they relate to two administrative staff who will no longer be showing from this line but rather as GDC employees. Actually, Mr Chairman, Mrs Cervan has helpfully pointed out that if Mr Hammond were to go to (8)(b) he will read ‘services provided by the Gibraltar Development Corporation’, and that is where it appears now.

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Hon. T N Hammond: Sorry, (8)(b)? So is that [inaudible]. Yes.

Mr Chairman: Any other question on policing?

Head 31 stands part of the Bill.

Clerk: Head 32, Prison – subhead (1) Payroll; subhead (2) Other Charges.

Hon. T N Hammond: Mr Chairman, if we could take a look at Other Charges line 3(a), there is a very substantial increase, in terms of percentages at least, of the expenditure estimate for the coming year, from £40,000 to £137,000. Is that because there is a new programme coming into effect, or something significant is changing?

Hon. N F Costa: Mr Chairman, the increase relates to the mandatory drug testing software, which I discussed during the course of the Budget speech. It also relates to the increase in the number of counsellors and the hours it will carry out in order to be able to conduct the different programmes, which I also noted during the course of my Budget speech.

Mr Chairman: Head 32 stands part of the Bill.

Clerk: Head 33, Gibraltar Law Courts – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 33 stands part of the Bill.

Clerk: Head 34, Justice – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 34 stands part of the Bill.

Clerk: Head 35, Tourism; subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 35 stands part of the Bill.

Clerk: Head 36, Employment – subhead (1) Payroll; subhead (2) Other Charges.

Hon. T N Hammond: Mr Chairman, just a question on line 5, Relief Cover. There was an estimate put in last year of £157,000 – the outturn was slightly less than that – but I note this year the estimate is only £1,000. It is a nominal figure. Is there any reason for the change of heart about what should be placed in that column?

Minister for Tourism, Employment, Commercial Aviation and The Port (Hon. G H Licudi): Mr Chairman, that is a common theme that hon. Members will see throughout the Book. In quite a number of heads there is a significant reduction in relief cover. On the other hand, hon. Members will see for the contribution to Gibraltar Development Corporation there is a significant increase. Agency workers who were previously used as agency workers and paid from Relief Cover are no longer agency workers and are now paid by the GDC. That is a common theme throughout the Book.

Mr Chairman: Head 36 stands part of the Bill.

Clerk: Head 37, Commercial Aviation – subhead (1) Payroll; subhead (2) Other Charges.

Hon. T N Hammond: Mr Chairman, reference line 3, Conference Travel and Business Development, there is quite a jump in the estimate for this next financial year. Is there any particular reason for that?

Hon. G H Licudi: Yes, Mr Chairman, if hon. Members look at Tourism, under 'Marketing, Promotions, Conferences etc.' there is a reduction, in fact of a higher amount, that is included here. There are a number of Departments under my Ministry and this concerns ... although it is under Commercial Aviation, it does concern my Ministry, including the Maritime Administration, the Port, and what we have added there is a provision for business development, which my Ministry can lead on. So, I have reduced slightly the amount under Tourism – well, part of it; in fact less than the reduction – under the Ministry to give the Ministry a little bit more flexibility to concentrate on business development. So it does not just relate to conferences and travel, but actually business development.

Mr Chairman: Head 37 stands part of the Bill.

Clerk: Head 38, Port – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 38 stands part of the Bill.

Clerk: Head 39, Maritime Services – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 39 stands part of the Bill.

Clerk: Head 40, Social Security – subhead (1) Payroll; subhead (2) Other Charges.

Hon. T N Hammond: Mr Chairman, line 7, Payment to Social Assistance Fund: is there any reason why the Government chooses to maintain the estimate at £15 million when the actual outturns for the past two years have been below £8 million?

Hon. G H Licudi: Mr Chairman, this is part of a contribution that is made. If the hon. Member looks at Appendix K, Social Insurance Fund – and there is, in what he has referred to, a reference to Social Assistance Fund – there are two contributions to the fund, one under head 40, which is one that he is looking at, and another under head 56. Those contributions, added up, are then broken down in terms of what the fund is actually used for, the number of benefits – Rent Relief, Elderly Persons' Allowance, Minimum Income Guarantee. So this is just a mechanism for a contribution to be made to the Social Assistance Fund, which is then distributed by way of benefits.

Mr Chairman: Head 40, Social Security, stands part of the Bill.

Clerk: Head 41, Civil Contingency – subhead (1), Payroll; subhead (2) Other Charges.

Mr Chairman: Head 41 stands part of the Bill.

Clerk: Head 42, Fire and Rescue Service – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 42 stands part of the Bill.

Clerk: Head 43, Gibraltar University – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 43 stands part of the Bill.

Clerk: Head 44, Culture – subhead (1) Payroll; subhead (2) Other Charges.

Hon. E J Reyes: Mr Chairman, on (2)(iii)(a), under Cultural Grants, I know I normally ask the Minister at different stages during the year, mainly as Written Questions, for updates; unfortunately, the reply I got within the last fortnight could only give me statistics up to January, which is when the question was submitted. If he does not have it now, would the Minister be able to make available shortly to me a breakdown of how the actual £200,000 forecast outturn ended up? I will be grateful if that could be forthcoming in the next few days.

Minister for Culture, the Media, Youth and Sport (Hon. S E Linares): No problem, Mr Chairman, will do. He asked for certain information as to the £200,000 forecast outturn 2018-19 of cultural grants at subhead (2)(iii)(a) and I will pass it on to him. He has asked questions and he says he has not got the information since January, so I will give him the rest, no problem.

Mr Chairman: Head 44, Culture – any other questions? – stands part of the Bill.

Clerk: Head 45, Broadcasting – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 45 stands part of the Bill.

Clerk: Head 46, Youth – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 46 stands part of the Bill.

Clerk: Head 47, Sport and Leisure – subhead (1) Payroll; subhead (2) Other Charges.

Hon. T N Hammond: Mr Chairman, just at line 2(a), Europa Point, in terms of the sports complex, that £½ million constitutes what payments?

Hon. S E Linares: Mr Chairman, as the hon. Member knows, we are building a magnificent complex up in Europa and therefore that complex will need some subsidy from Government in order to be run. That is only a provision of £½ million at this stage because it will be run by a trust that will be constituted and that is the subsidy that the Government is going to give it this year.

Mr Chairman: Head 47 stands part of the Bill.

Clerk: Head 48, Financial Services – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 48 stands part of the Bill.

Clerk: Head 49, Gambling Division – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 49, Gambling, stands part of the Bill.

Clerk: Head 50, Commerce – subhead (1) Payroll; subhead (2) Other Charges.

Hon. T N Hammond: Mr Chairman, line 8(f), Maintenance Agreements and Licences – we have quite a substantial increase in costs there. Is there a particular reason for that? Is it one particular licence? Is it right across the board? What is the reason?

Minister for Commerce (Hon. A J Isola): Mr Chairman, there is one general very big increase, which is the new manner in which Microsoft compute their licensing charges, which has resulted, as a result of the volume, in a significant increase. Then there is also the viser reporting

module that we have acquired and that is a licensing fee for that. When you put those together, that makes up for the increase, so it is increased licensing fees.

Mr Chairman: Head 50, Commerce, stands part of the Bill.

Clerk: Head 51, Postal Services – subhead (1) Payroll; subhead (2) Other Charges.

Hon. R M Clinton: Mr Chairman, over the page, under Other Charges, item 3, 'Outgoing Mail and Bulk Mailings', obviously quite a significant increase. I was wondering if the Minister could give some indication as to what it is about?

Hon. A J Isola: Mr Chairman, we have done a considerable amount of work this year in trying to establish exactly where we are in terms of settlement of charges for outgoing mail and bulk mailing. As a result of that, we are clearing the backlog which we have had before. We understand from the United Kingdom and other postal unions it is actually very common and that we are actually not that far behind by comparison to others. But we are making an effort to clear it as quickly as we possibly can to bring ourselves fully up to date – basically, the payment of terminal dues contributions that each postal service pays to the other for its mail.

Hon. T N Hammond: Mr Chairman, purely out of curiosity, I noticed there is a line 'Introduction of Postcodes'. It was there last year as well. Is that a concept, to introduce postcodes within Gibraltar? I think internationally we are already recognised; we have a postcode. Or is it something completely different and I am just barking up the wrong tree?

Hon. A J Isola: No, the hon. Member is right. If you introduced postal codes through Gibraltar in the same way that you have them in the UK, it would actually mean that our mail potentially could be sorted in the UK, so that by the time it gets here it just needs to be delivered. So we would not have just one postcode, as we currently do, for the whole of Gibraltar; we would have individual postcodes like they do in the UK. Because it is fully automated in the UK, it could result in a significant saving in time and cost and it is something that we are evaluating and looking at as to the cost of having these postcodes designed for us. If we are able to do that, it would speed up mail and make the process cheaper and more efficient when it comes in, too.

Mr Chairman: Head 51 stands part of the Bill.

Clerk: Head 52, Gibraltar Audit Office – subhead (1) Payroll; subhead (2) Other Charges.

Mr Chairman: Head 52 stands part of the Bill.

Clerk: Head 53, Gibraltar Regulatory Authority – subhead (1) Payroll; subhead (2) Other Charges.

Hon. D A Feetham: Mr Chairman, under Other Charges there appears to be an increase of about £½ million from the position as at 2019 to the projection for next year. Can we have some information about why the significant increase?

Hon. Chief Minister: Mr Chairman, the Regulatory Authority is principally funded from the sums that they raise through fees etc. They had a pot of money in their account and therefore they needed less of a contribution from us. That pot of money in their account has been reduced now and they need more of a contribution from us. That is what the issue was.

Mr Chairman: Head 53 stands part of the Bill.

Clerk: We now move to clause 3 and head 55, Contribution to Government-owned Companies – subhead (1) Contribution to Government-owned Companies. This is at page 153 of the Book.

810 **Mr Chairman:** To make it clear, clause 3, head 55 stands part of the Bill.

Clerk: We carry on with clause 3, head 56, Transfer from Government Surpluses – subhead (1) Payment to Social Assistance Fund, Import Duty, Transfer from Government Surplus.

815 **Mr Chairman:** Stands part of the Bill.

Hon. D A Feetham: Mr Chairman, can I just ask, in the past, during past contributions to the to the debate I have noted that when we were in Government we treated contributions to Community Care as an expense, so below the line, and that they changed the practice to declare
820 a higher surplus and then take the contributions of Community Care from the surplus, hence declaring a larger surplus. Can you just perhaps explain why the change of practice? I have never understood it, other than obviously that it declares a healthy surplus.

Hon. Sir J J Bossano: Mr Chairman, the commitment that we have got is to transfer an
825 amount from the surplus. The amount that we put in the Budget initially is before the surplus is known, so we put a token amount from the surplus and then we put a minimum that will be guaranteed because we are voting it as a commitment in the ... I suppose we could put a smaller amount at the end and leave the £7 million there and pay it from two different pots, but it makes more sense if we say at the end of the year we are putting £20 million or £25 million ... it
830 would be inclusive of the £7 million that is in the other head. So, the £7 million in the head is if there is no money that we think we can afford to pass over to Community Care – the £7 million will be guaranteed. That is why it is still there. Otherwise, we would take it out all together.

Hon. D A Feetham: My understanding was that contributions to Community Care came from
835 the Social Assistance Fund and therefore it is an expense that you take out before you declare a surplus. As from 2012 what was happening was that the contributions to Community Care were taken from the surplus, in other words from below the line to above the line, thus declaring a larger surplus. I am just asking why was that policy decision taken, other than of course I can understand that politically it makes the surplus look higher by £25 million – or is there a
840 different reason?

Hon. Sir J J Bossano: The £25 million is coming out after declaring the surplus. What I said to the hon. Member ... Look, they did not have anything there because of course they only said they would pay money when the reserves ran out, contrary to the commitments that they had
845 given. We decided that to guarantee a certain amount of money we would leave a provision in the Budget, although the policy in the manifesto is not that there will be a provision in the Budget; the policy in the manifesto is that it will be a payment from the surplus. If he looks at the text of the manifesto, the manifesto says we will make the payments to Community Care from the surplus. We could simply leave nothing there and wait until the end of the year to decide how much we are going to give. We decided to continue leaving an amount there as a
850 guarantee that it would never go down to zero; at the worst it will be the £7 million we are asking the House to vote for, which he is going to vote against anyway. So he is voting against giving them the £7 million. We have put the £7 million there as a commitment from this House that at least we want to give them £7 million. We do not need to flatter the thing. I think it
855 would be a substantial surplus at £78 million and it is a substantial surplus at £85 million. We do not need to have the £7 million there to make it a surplus. If we were going from a deficit to a surplus, the argument might be that we do not want to show a deficit. The reason is that the

£7 million is there as a commitment voted by Parliament. The other one is a discretionary payment which we make at the end, and if there is no money to give at the end, then the £7 million is guaranteed because it has been voted and it is mandatory.

Hon. Chief Minister: But it is a donation... not a contribution.

Hon. Sir J J Bossano: Yes. Bueno [inaudible]

Mr Chairman: Head 56 stands part of the Bill.

Clerk: Head 57, Contribution to the Improvement and Development Fund – subhead (1) Contribution to the Improvement and Development Fund.

Mr Chairman: Head 57 stands part of the Bill.

Clerk: We now move to clause 4, which is at page 152 of the Book. Head 54, Supplementary Provision – subhead (1) Supplementary Funding.

Mr Chairman: Head 54 stands part of the Bill.

Clerk: Clause 5, Improvement and Development Fund. Head 101, Works and Equipment – subhead (1) Works and Equipment.

Mr Chairman: Stands part of the Bill.

Clerk: Head 102, Projects –

Hon. T N Hammond: Sorry, Mr Chairman, if I may just go back to 101. It is only one very minor point within the context of the expenditure here. Line 05, the security bollards – there is quite a significant expenditure, £320,000, assigned for that. Is that for Main Street?

Minister for Infrastructure and Planning (Hon. P J Balban): Sorry, what was the head again?

Hon. T N Hammond: Page 158, subhead (1) line 05.

Hon. P J Balban: Mr Chairman, head 101(1) line 05 is to do with the security bollards which are planned for Main Street. They include new ones to replace the present Jersey barriers. It also includes some new barriers which will be more permanent in nature, which are sliding barriers. It is just an estimate of the figure because the actual project is much greater than that. That just takes a part – it is one small section of the area for the sliding bollards.

Hon. R M Clinton: Mr Chairman, just two questions. Under subhead (4), Other Projects, line (zzd), Island Games Facilities, I just wonder what is included within that line. Is that just the Europa Point facility? Does that include the accommodation block? Does that include Lathbury Barracks? Or is it just one site?

Clerk: We have not got there yet.

Hon. R M Clinton: Sorry, we have not got there?

Mr Chairman: Head 101 stands part of the Bill.

910 **Clerk:** Head 102, Projects – subhead (1) Roads and Parking Projects.

Hon. R M Clinton: Sorry for jumping the gun, Mr Chairman. Just going back to the Island Games facilities, I just wish to know –

915 **Hon. T N Hammond:** We have not got there yet. It is subhead (1).

Clerk: Subhead (2), Relocation Costs.

920 **Hon. T N Hammond:** Just one question with reference to the Port Authority relocation – and I hope I have got the right line; let me just double check. No, apologies, I was looking at Other Relocations, actually. There is £4 million estimated for the coming year. What relocations might they be? Who is being relocated?

925 **Hon. Chief Minister:** Mr Speaker, there is Customs Marine Section, which I referred to earlier; Customs East Gate – I think that is now partly done; Environment Marine Section; ASNT building; Waterport area facilities; part of GBC; part of the Yacht Club and the Small Boats Marina; the affordable housing projects require some relocations; the Housing Works Agency workshops; a bureau de change which will need to be moved because of the road changing for the tunnel; a temporary Customs building which also has to be moved for the same reason; the coach park
930 facilities, which I think move when the Midtown is completed; and then a token amount internally of £100,000 in case there are other relocations – because during the year they tend to come up and they always tend to be urgent when they come up.

Clerk: Subhead (3) Reclamation Projects; subhead (4) Other Projects.

935 **Hon. R M Clinton:** Sorry, Mr Chairman, I think I have finally found the right spot. Island Games facilities – again I come back to my question as to what is included in that line, which facilities. Europa Point, Lathbury Barracks, the accommodation block – are they included in that line?

940 In terms of expense, I think the cumulative so far is £34.6 million, as opposed to I think the idea was it should be covered by the sale of the Victoria Stadium for £16½ million. How does the Government intend – or does it intend – to recover the excess over that amount?

945 **Hon. S E Linares:** Yes, Mr Chairman, it is the Europa Complex, the clay target shooting and other equipment that we will need for different venues – equipment for the Island Games.

Hon. R M Clinton: Mr Chairman, I thank the Minister. So, if I understand this correctly, this is only in respect of Europa Point and the clay pigeon shooting.

950 **Hon. S E Linares:** Yes, clay target.

Hon. R M Clinton: Sorry, clay target shooting. The rifle range down by the Port and Lathbury Barracks, where will we find those?

955 **Hon. S E Linares:** These are through company structures.

Hon. R M Clinton: Would the Minister be able to identify which company is doing Lathbury Barracks and which company is doing the rifle shooting range?

960 **Hon. Chief Minister:** Gibraltar Sports Projects Ltd, I think.

Hon. R M Clinton: Sorry, Mr Chairman, just to confirm I heard correctly, Gibraltar Sports Projects Ltd covered both those sites, Lathbury Barracks and the rifle shooting range? That is correct, yes?

965 And in terms of my original question about the £16½ million proceeds from sale of the Victoria Stadium, which if my memory serves me correctly – I am happy to be corrected – was meant to cover the cost of the new facilities, how do we intend to recover any excess?

Hon. Chief Minister: Well, Mr Chairman, because there are a lot of commercial uses in the facilities that are being developed which will also enable us to raise the additional funds through sales and rentals and other uses.

Hon. R M Clinton: Would the Government be able to give a total cost to completion of all these facilities, including the ones within the corporate?

975

Hon. S E Linares: At this stage, no.

Hon. Chief Minister: Yes, Mr Chairman, we would be able to give a cost to completion, but not yet because we have not yet completed.

980

Hon. R M Clinton: And one last question on this particular item: the accommodation block that has been built, which I know the University is keen to acquire later on, where does that appear?

985

Hon. Chief Minister: At GSTR Ltd.

Hon. Ms M D Hassan Nahon: The hot lunches for school: do you have a projected figure, a ballpark figure of how much?

990

Hon. Dr J E Cortes: No, Mr Chairman. This has gone out for expressions of interest, we are receiving expressions and it will all depend on what proposals are put forward and which is considered successful.

Hon. Ms M D Hassan Nahon: Sorry if it seems pedantic, but does the Government have a limit on how much they are wishing to allocate to this or an idea of how much they would acknowledge for this project at maximum?

995

Hon. Chief Minister: Mr Chairman, the Government considers this project to be something that should not be state funded, in the sense that we want to provide ... The hon. Lady I think has heard me say before, and indeed I think there is agreement across the floor of the House, at least before auction season starts, that the meals should only be free for children of those who are unemployed or otherwise socially deprived. What the Government is looking to offer is that parents should be able to fund the meal, because today parents fund the meal. When hon. Members opposite introduced the day through in school, parents had to put their hands in their pockets to provide the meal for the child.

1000

1005

We think it is possible to provide a hot lunch for less in the schools and that the parents would prefer that, it would be easier and it would cost more or less the same. So, what we would then fund ... and then the exercise would have to be done, and once we have got the amount in of the cost from the tenderers, we would then look at, in each of the schools, how many children do we think will need to benefit themselves from the Government paying for their meals. That would then be the cost to us.

1010

In these pages what she is seeing is different. In these pages what she is seeing is any changes that we have to make to the infrastructure of schools, and therefore, because it is on these

pages, it is probably going to be to the existing schools, to the older schools, in order to be able to accommodate the heating or the cooking, or whatever there, if that was something that we would have to pay for, but not the cost of the lunches.

Hon. R M Clinton: Mr Chairman, just one last question from me on this section. Going to (4), Other Projects, line (zsz) on page 163, New School Projects, forecast outturn 2018-19 zero, can the Government confirm that is correct and not a typographical error?

Hon. Chief Minister: That is correct, Mr Speaker.

Hon. E J Reyes: Mr Chairman, on line (zzw), where it says 'Grand Battery', I just want some clarification. I understand Grand Battery to be the external Battery site, as opposed to Grand Battery House on which the Chief Minister and I have said before. Am I correct in saying that this is nothing to do with Grand Battery House in itself but rather the external eastern side, which is Grand Battery per se.

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Chairman, I explained in my Budget address that we are starting refurbishment works on the Grand Battery site itself. That is right, the hon. Member is correct.

Hon. T N Hammond: Mr Chairman, I note in line (za), Soft Loans and Repairs to Housing Estates, there is quite a substantial jump from the forecast outturn this year of £225,000 to £1.7 million. Is that because Government is already aware of requests that have been put in for loans that it expects to approve in the coming year?

Hon. Chief Minister: Yes, Mr Chairman, there is a project that has already been costed that has to be undertaken.

Hon. T N Hammond: Just to clarify, that is a single project, then, costing the majority of that £1.7 million?

Hon. Chief Minister: Yes, Mr Chairman, one project takes the lion's share of that amount. There are another five that I can see, two of which, including the big one, have very precise estimates of what the works will entail.

Hon. T N Hammond: I thank the Chief Minister for that reply. Could I also ask, line (zf), East Side Revetment Works, £4.5 million, what they specifically refer to?

Hon. Chief Minister: Mr Chairman, the revetment on the East Side – that is a very self-descriptive line!

Hon. T N Hammond: Yes, sorry, I should have phrased the question slightly differently. So, that revetment work, is that to support another project? What is the need for that particular work to be conducted?

Hon. Chief Minister: No, Mr Chairman, that is what we announced at the time that we said we were going to start work also on the Hassan Centenary site. The revetment needs to be upgraded to a one in 200-years storm resistance, and that is the work, or part of the work.

Hon. T N Hammond: Thank you. And line (n), Infrastructure Provision for New Developments, £5.5 million, is that also part of the Hassan Centenary works, or at least partly accounted for by that?

Hon. Chief Minister: Partly accounted for that and many other things; that is across the board, Mr Chairman. That is a Chief Technical Officer led project and it is really across all of the areas of Gibraltar where there is development, so when you are putting in additional sewerage for estates and other facilities this is the head that carries it.

1070

Hon. T N Hammond: Is it possible to have a breakdown of that last one, not necessarily now but in some form in the near future?

1075

Hon. Chief Minister: Mr Chairman, there is Eastside infrastructure, waste water mains relief projects; new sewage pumping main, Eastside to dockyard, dockyard to Transport Lane; Europa Road saltwater pumping station; South Jumpers intermediate sewage pumping station; service corridor Ragged Staff to New Harbours; Coaling Island infrastructure; new sewage pump mains, dockyard to Rosia. All of those are the projects which would potentially amount to that, depending on what stage of development they reach.

1080

Hon. T N Hammond: And are the costs against each of those projects available?

1085

Hon. Chief Minister: The estimated costs are available, yes. They total £5.5 million: £¼ million, £3 million, £1 million, £400,000, £255,000, £125,000, £300,000.

Hon. T N Hammond: Could I ask which one amounted to £3 million? (*Interjection*) Could you repeat what the second one was? Sorry.

1090

Hon. Chief Minister: The one that he asked about earlier today [inaudible].

Hon. T N Hammond: So that is the sewage treatment works?

Hon. Chief Minister: Yes.

1095

Hon. T N Hammond: So why doesn't that appear alongside the Urban Waste Water Treatment Plant?

Hon. Chief Minister: This is the works going in that direction, not the plant.

1100

Clerk: Subhead (5), Equity Funding/Funding.

Mr Chairman: Head 102 stands part of the Bill.

1105

Clerk: We now move to clauses 6 and 7 and we commence at page 168 of the Book, Gibraltar Development Corporation, Appendix B.

1110

Hon. R M Clinton: Mr Chairman, if I may just ask one very quick question – and the Father of the House may have already answered this question previously. The Economic Development and Employment Company Ltd – what services does it provide to the GDC?

Hon. Sir J J Bossano: This is the company that owns all the training companies, the Supported Employment Company, and is involved in supporting investment activities of the Government. It is a company that has been there since 2012, doing the same thing since 2012.

1115

Hon. R M Clinton: Mr Chairman, is it purely in respect of employment of individuals or did I catch the Minister saying other Government investments? Could he elaborate?

1120 **Hon. Sir J J Bossano:** This is a company which was set up after the 2011 General Election in order to deal with the Training for Employment Strategy and it has subsidiary companies, which are the companies that employ a number of people on training programmes plus the Supported Employment Company, which is where it provides permanent employment for the young people or not so young people we are not able to place in the normal jobs market. It also has things that it spends on facilities for the Training Centre, investments of that nature, all linked to employment and training.

1125 **Mr Chairman:** Gibraltar Development Corporation, Appendix B, stands part of the Bill.

Clerk: Borders and Coastguard Agency, Appendix C.

1130 **Mr Chairman:** Stands part of the Bill.

Clerk: At page 186, Gibraltar Electricity Authority, Appendix D.

1135 **Hon. R M Clinton:** Mr Chairman, if I may ask, on line 28 – (2) Contribution to ES Ltd – can I ask what the nature of the contribution is? Is this a provision of services? I appreciate that ES Ltd owns the power station. What does this payment represent? Or what is it in respect of?

Hon. Dr J E Cortes: Mr Chairman, during the course of this year it is expected that ES will start generating power and this is a provision to pay for that, for the services.

1140 **Hon. R M Clinton:** Mr Chairman, does that mean to say, then, that there will not be any fuel costs in the future? You have fuel somewhere else, £15 million of fuel under line 23, so what is it you are paying for if you are presumably purchasing the fuel?

1145 **Hon. Dr J E Cortes:** Mr Chairman, if he looks at ‘Purchase of Electricity’, he will see under 28(1)(i) and (ii) that the fuel costs are coming down, and that is being compensated by (2) and (3), which are going up.

1150 **Hon. R M Clinton:** Yes, Mr Chairman, but if he also looks at line 23 he will see that ‘Fuel Line’ has gone up from £6.1 million to £15 million. Which one is it? Which one is the fuel element? Or is there something else on 28(2) and (3)?

1155 **Hon. Dr J E Cortes:** Mr Chairman, this is a year of transition in which we are expecting to increase the consumption of LNG. We are expecting to decrease the consumption of diesel, but because we are in the commissioning phase we have to be prudent and make provision to be able to take account of all the variables that can happen during the commissioning and the transition. This clearly will all be clear at the end of the financial year, when we will have spent what we will be spending on what we have to spend it on.

1160 **Hon. Chief Minister:** I think, Mr Chairman, what we have done here – I remember when we were going through the budgetary process – is we have intentionally double-counted so that we know that we will have the money voted, although we sincerely believe that the amounts will be reduced because we expect the new power station to be taking most of the brunt with LNG by September and so therefore we believe that a lot of the other fuel will not be purchased, but the money had to be here. In fact, if we had not done this we would be estimating a higher surplus for next year and indeed the growth in recurrent expenditure between this year and next year would be lower than 7%, which would be considerably lower than the 17% that it was in the average of the years that they were there.

1170 **Hon. R M Clinton:** Mr Chairman, I am grateful for that reply. Can I just ask, in terms of the contribution to ES Ltd and the Shell LNG – certainly in respect of ES Ltd – is there an element of financing costs in that £6½ million?

1175 **Hon. Chief Minister:** Yes, Mr Chairman.

Hon. R M Clinton: Mr Chairman, I am grateful for that. Can he indicate what element or what proportion of it? Are we talking £5 million for financing or £½ million for something else? Is it capital and interest repayments? We all know ES Ltd has loans, so it needs cashflow. Is this where the cashflow is coming from to be able to allow ES Ltd to repay its loans and pay interest?

1180 **Hon. Chief Minister:** Mr Chairman, the amount that will be payable will not be clear until we have seen the full year of operation, but this is where the cashflow will come from.

Mr Chairman: Gibraltar Electricity Authority, Appendix D, stands part of the Bill.

1185 **Clerk:** Appendix E, Housing Works Agency.

Mr Chairman: Housing Works Agency, Appendix E, stands part of the Bill.

1190 **Clerk:** At page 193, Appendix F, Gibraltar Health Authority.

Hon. L F Llamas: Mr Chairman, with regard to Recurrent Payments, (3) Allowances, is there any chance that we can get a breakdown with a description of the allowances that are envisaged and the percentage of those allowances that compose that item?

1195 **Hon. N F Costa:** No, Mr Chairman, I do not have a breakdown of the £6.4 million. We do not have it with us, but I suppose that I can provide it to the hon. Gentleman in writing.

Hon. T N Hammond: Mr Chairman, for line 36, Sponsored Patients, I do note the Minister has done very well in the last year to reduce the overall cost of sponsored patients, yet the estimate goes up for the forthcoming financial year. Is there any reason for that?

1200 **Hon. N F Costa:** Well, Mr Chairman, actually we went a few rounds on this because, without expressing individual views, there was a debate as to where sponsored patients would come in on this year. Some expressed the view that it would be at £12 million; others thought that it would be higher. So, in effect, after several rounds of going on what should be the right amount, we settled on £14 million. It could very well be that we stay exactly on the amount that we spent in the last financial year; and if it is not, it is because we are looking at some of the invoices that we have received and we are querying some of the amounts. The hon. Gentleman will have heard me say that we have entered into agreements with Quirónsalud Hospiten Salud, and Pamplona. Those seem to have taken an eternity to negotiate, but there was good reason for that. In effect, we have been able to obtain prices which are, in some cases, almost 52% less than we have been paying previously to other Spanish providers, but we have also insisted on including clinical standards within those contracts. But there is one Spanish provider with which we have not yet concluded our negotiations, so we are giving ourselves a bit of leeway on how much we would spend. As I say, it would be between £12 million and £14 million, but we could not quite decide and in order to be prudent we allowed ourselves that £2 million margin.

1215 **Mr Chairman:** Any other questions?

1220

Hon. L F Llamas: Mr Chairman, with regard to item 26, Rentals, can the Minister explain, or at least clarify, what the terms of the contracts for the new rentals are and whether those are the full year's-worth or part of the year?

1225 **Hon. N F Costa:** Mr Chairman, in short, the existing ICC Health Centre does include the full financial year, and for the Paediatric Centre and for the new build of the PCC it does not include the full financial year.

1230 **Hon. L F Llamas:** Mr Chairman, with regard to payments for works and equipment, £6.25 million, does the Minister have details as to how much of that money is going into equipment and how much is going to actual works and construction?

1235 **Hon. N F Costa:** Mr Chairman, in respect of the new PCC, the new CPCC and the Dental Hub, it is £3.8 million; in respect of the proposed new ambulance building it is £850,000; and in respect of works and equipment, £1.6 million.

Mr Chairman: Gibraltar Health Authority, Appendix F, stands part of the Bill.

1240 **Clerk:** At page 199, Appendix G, Gibraltar Health Authority, Elderly Residential Services Section.

1245 **Hon. L F Llamas:** Mr Chairman, with regard to line 32, John Mackintosh Wing, last year there was an estimate for £1.1 million. That has come in at £1.8 million and then the Government is estimating another increase to £2.3 million. Can the Government clarify, given that it changed the contracts in order to ensure that there was financial control there, why there seems to be a continuous increasing trend in this department?

1250 **Hon. N F Costa:** Mr Chairman, I am advised that that is the full effects of the full financial year for the John Mackintosh Wing, which includes all of the items that will be required to be able to run the home. So, for example, to give him a few examples, what would have been itemised separately before – such as dressings and aids, hardware, clinical waste – we have put all of those items, that spend that is attributable to the John Mackintosh Home, in that line rather than have it distributed throughout the Book.

1255 **Hon. L F Llamas:** Does the Hon. Minister have a breakdown for the £1.8 million, as to how much was for actual care and how much was for the extra running of the centre, as well as for the £2.3 million?

1260 **Hon. L F Llamas:** Mr Chairman, £679,000 would be for all of the ancillary items and, as I say, it includes hardware, clinical waste, provisions, laundry and all of the other items, and around £1.6 million in respect of care.

1265 **Mr Chairman:** Any other question on the Gibraltar Health Authority, Appendix G? Stands part of the Bill.

Clerk: Appendix H, Care Agency.

Mr Chairman: Stands part of the Bill.

1270 **Clerk:** At page 209, Appendix I, Gibraltar Port Authority.

Mr Chairman: Stands part of the Bill.

Clerk: Appendix J, Gibraltar Sports and Leisure Authority.

1275 **Hon. E J Reyes:** Mr Chairman, can I come to a view with the Minister similar to what we were doing before for Culture on subsection (23) Sports Grants and (24) Hosting of Special Events? When he provided the last Written Answer it only gave me statistics until January. Could he, in a few days, please update me for the whole financial year?

1280 **Hon. S E Linares:** Yes, Mr Chairman, that is no problem but I would like to remind the hon. Member that it is on the website. As the hon. Member asked me for the other one and I have told him I will give it to him, I will give him this one anyway. I have just got a message informing me to let the hon. Member know that they are already updated on each website. One is culture.gi – that would be the cultural grants – and this one is the GSLA website for this one. But
1285 I am willing to pass it to him anyway, Mr Chairman.

Mr Chairman: Appendix J, Gibraltar Sports and Leisure Authority, stands part of the Bill.

Clerk: The Schedule.

1290

Mr Chairman: Stands part of the Bill.

Clerk: The long title.

1295

Mr Chairman: Stands part of the Bill.

BILL FOR THIRD READING

Appropriation Bill 2018 – Third Reading approved

Clerk: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Appropriation Bill 2019 has been considered in Committee and approved without amendment.

1300

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 2020 be read a third time. Those in favour? (**Some Members:** Aye.) Those against? (**Some Members:** Nay.) Carried. (*Banging on desks*) The Government and the hon. Lady have voted in favour, the Official
1305 Opposition against, so the ayes have it. The ayes have it. (*Interjections*)

BILLS FOR FIRST AND SECOND READING

Supplementary Appropriation (2016/2017) Bill 2019 – First Reading approved

Clerk: Bills for First and Second Reading.

A Bill for an Act to appropriate sums of money to the service of the year ended the 31st day of March 2017. The Hon. the Chief Minister.

1310 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ended the 31st day of March 2017 be read a first time.

1315 **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 ended the 31st day of March 2017 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Supplementary Appropriation (2016/2017) Act 2019.

1320 **Hon. Chief Minister:** Mr Speaker, I move that the House should now adjourn and return on Tuesday, 2nd July at three in the afternoon.

Mr Speaker: The House will now adjourn until Tuesday, 2nd July at three in the afternoon.

The House adjourned at 5.03 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.13 p.m. – 4.23 p.m.

Gibraltar, Tuesday, 2nd July 2019

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The Gibraltar Parliament

The Parliament met at 3.13 p.m.

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

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

Standing Order 7(1) suspended to proceed with laying of petition

Clerk: Meeting of Parliament, Tuesday, 2nd July 2019.
Suspension of Standing Orders. The Hon. the Chief Minister.

- 5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with the laying of a Petition on the table.

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

- 10 **Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes):** Mr Speaker, I beg to move that the petition standing in my name and supported by the Hon. Trevor Hammond and the Hon. Marlene Hassan Nahon be laid on the table.

Mr Speaker: Ordered to lie.

- 15 **Hon. Dr J E Cortes:** Mr Speaker, I beg to move that the Petition standing in my name be read.

Mr Speaker: I now put the question, in the terms of the motion proposed by the Hon. Dr Cortes. Those in favour? (**Members:** Aye.) Those against? Carried.

- 20 The motion is therefore carried and I am now asking the Clerk to Actually read the Petition.

Clerk: The Petition is addressed to the Gibraltar Parliament and reads as follows:

Your petitioners request all Members of Parliament to support the creation of a totally independent and funded climate body with technical and dedicated personnel to progress an agreed climate change agenda, legally bound to operate within a strict timeframe, supported at cross-party level.

And there follow all the signatures.

Order of the Day

PAPERS TO BE LAID

25

Clerk: (vi) The Hon. the Chief Minister.

30

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to lay on the table the Electors Registration (Amendment) Rules 2019 and the Integrated Tariff (Amendment) Regulations 2019.

Mr Speaker: Ordered to lie.

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Clerk: The Hon. the Deputy Chief Minister.

40

Deputy Chief Minister (Hon. Dr J J Garcia): I have the honour to lay on the table a Command Paper on draft Regulations amending the Civil Aviation (Air Navigation) Regulations 2009 in order to regulate the use of small unmanned aircraft, including aircraft commonly known as small drones.

Mr Speaker: Ordered to lie.

Standing Order 7(1) suspended to proceed with Government Bills

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

45

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

Private Sector Pensions Bill 2019 – First Reading approved

Clerk: (ix) Bills – First and Second Reading.

50

A Bill for an Act to make provision with respect to the provision of pension plans to employees employed in the private sector, to establish a Pensions Commissioner, and for connected purposes.

The Hon. the Chief Minister.

55

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to make provision with respect to the provision of pension plans to employees employed in

the private sector, to establish a Pensions Commissioner, and for connected purposes, be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to make provision with respect to the provision of pension plans to employees employed in the private sector, to establish a Pensions Commissioner, and for connected purposes, be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Private Sector Pensions Act 2019.

**Private Sector Pensions Bill 2019 –
Second Reading approved**

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

This Bill is for an Act which seeks to ensure that, for the first time in our history, private sector workers should be entitled to choose whether they wish to make a contribution to a pension plan. The choice and the decision is to be of the employee. Should that employee choose to participate in a pension plan, the Act then requires the employer to contribute towards that employee's pension plan. In such circumstances, employers in the private sector will therefore have an obligation to provide a pension to employees.

This Act sets out the minimum that will be required from employers in the private sector, and any employer wishing to do more can at any time increase their contributions. Indeed, Mr Speaker, I want to just reflect on the fact that a very large number of employers in our economy already provide such facilities for their employees and have not had to wait for a compulsion of law in order to provide such facilities. What Her Majesty's Government of Gibraltar is doing with this Bill, however, is ensuring that any member of the community has the option of being protected financially in their later years by opting, if they are in employment in the private sector, to contribute privately to a scheme.

This Act sets out a starting position. By ensuring that everyone has a pension plan, an individual can then contribute more to that pension plan if they so wish. Simultaneously, the Government wishes to assist businesses in the phasing in of such pension plans. The implementation of this Act is therefore phased so that smaller employers have more time to deal with the requirements and have a longer period to make the requisite adjustments. Large employers will be required to comply with the provisions of the Act by July 2021, medium-sized employers will be required to contribute by July 2022 and small employers by July 2025, with micro-employers not having to contribute until 2027. The definitions of whether the employer is small, medium, large or micro will follow the definitions in the Companies Act, with the requisite changes so that the definitions also apply to employers who are not companies.

More particularly, Mr Speaker, in order to assist hon. Members, I will now set out what the different parts of the Bill do.

Part 1 of the Act includes provision as to the scope of the Act, which will apply only to employers in the private sector.

Part 2 imposes obligations on employers to either continue with an existing pension plan available to their employees; or, if none are in place, to participate in a pension plan established by regulated pension providers. Low-income employers will be able to contribute to a pension plan established by the Government.

It is envisaged that employees who earn less than £18,500 will be able to contribute to the Provident Trust No. 3 Pension Scheme. This will be further set out by way of regulations.

Employees can also elect not to participate in a pension scheme, but there is a duty on the employer to notify the Pensions Commissioner if the employee would like to participate in the pension scheme or otherwise. If the employee chooses not to participate, there is a relevant form that the employee must fill in.

105 Under section 5, employers will be under a duty to register such participation with the Commissioner, who shall be the Commissioner of Income Tax, and care will have to be taken so that there is no excessive administrative burden on employers.

Whilst there is no exemption for start-ups, employees will have to have been working for the employer for a year before falling within the provisions of the Act, in effect meaning that start-
110 ups have a year's grace before the application of the Act to them.

Section 6 requires the employer to provide the administrator of a plan with the relevant information pertaining to that employee.

Section 7 imposes a duty on administrators of pension funds to explain the terms to the employees upon joining a pension fund.

115 Sections 8 and 9 require information to be produced to members and access to documents by relevant third parties, with consent.

Section 10 specifies which employees qualify for benefit under the obligation and employers to participate in the pension plan. Employees must be 15 years of age or over, earn at least £10,000 per annum and must have been employed by that employer for a year, given what I
120 mentioned before about the period of qualification.

Where a person is employed by more than one employer, he can be enrolled as a member of each pension plan for which he meets the relevant criteria.

Part 3 establishes the minimum contribution rate that employees and employers will make to the pension plan subject to the Act, being 2% of the employee's annual earnings, excluding
125 bonus, each. The employer and the employee will each have to contribute 2% to the pension scheme, subject to the minimum earnings which I have already set out to the House. This percentage can be amended by a Minister by order in later years. The employers and employees may also choose to make higher contributions at any time and may each make different contributions, as long as the 2% minimum is met by each. This relevant part, Part 3, also allows
130 for the Commissioner, the administrator or a member to recover any amounts withheld from an employee's salary as a debt due.

Part 4 details the types of advice and orders that may be given by the Pensions Commissioner.

Part 5 of the Act establishes the Pensions Commissioner itself. The Commissioner shall keep a
135 register, which will list all employers and their employees' status under the Act.

Section 16 lists the functions of the Commissioner, which include promoting education on pension plans and their benefits, verifying payments made under the pension plans and the investigation of complaints relating to a pension plan.

The Commissioner is provided with powers of entry and search to facilitate the enforcement and monitoring of compliance with the Act as per the powers granted under the Income Tax Act
140 2010.

The Act will also create offences for contravention of any provision of the Act or orders or regulations made under the Act. The Act is therefore ensuring compliance by granting powers to be able to fine if anyone is found in breach of the Act.

145 Section 21 sets the fine payable for such offences at level 4 on the standard scale, which doubles in case of a second or subsequent offence.

The main purpose of this Act will be to remedy the discrepancy that exists between private sector workers and public sector workers to ensure that all workers in Gibraltar are now adequately protected for in their later years. We have already started to try to redress that,
150 even in respect of those already retired and who have no provision made for them, by supporting the introduction by Community Care of the minimum income safety net of the

statutory Minimum Wage for couples and two-thirds thereof for individuals. For future generations we are proposing the creation of these rights.

155 Mr Speaker, I know that this Bill enjoys the support of Unite the Union, with whom we have worked on these commitments. I also know that they might have wished to have seen us go even further in some aspects in respect to these measures. I must also acknowledge that the consultation process we went through included the Chamber and the Federation. Although they were not unsupportive of these measures, it is fair to reflect that they felt we have gone too far in some respects. I want to nonetheless thank both the Chamber and the Federation on the one
160 part and the Union on the other part for their constructive and positive engagement in the process of bringing this Bill forward.

This is a proposal that we bring from a commitment in our manifesto. It has been greatly delayed by Brexit and by the need to ensure that in making these changes to our laws we are not going to make Gibraltar any less competitive in any way with any of our rival jurisdictions.
165 We are confident that this Bill strikes the right balance and that the time is right now to make this legislation.

In this Bill we are legislating today to provide rights for workers tomorrow. It is right that we should. The benefits to the community as a whole and to working people in particular will not be felt for years, perhaps for generations, but when those benefits are felt I will be proud to have
170 been the person introducing this seminal piece of legislation for working people in the private sector. I urge all Members to join me in doing so and I therefore 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
175 principles and merits of this Bill? The Hon. Roy Clinton.

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

This is a particularly important piece of legislation that has come before the House and, as the Chief Minister correctly points out, it is something that is certainly desirable, that we have
180 pension provision in the private sector; certainly on this side of the House the Official Opposition in principle have no problem with that concept.

But this is, as I said, a complex piece of legislation, and I cannot help but notice that from the original Command Paper to the Bill that is before us today we have lost, from the Command Paper, not just a few words, sentences or paragraphs, but entire sections. Whereas the existing
185 Bill before us has six sections, the original Command Paper had 10. We seem to have lost Part 4 on vesting in retirement, Part 5 on locking in contributions and benefits, Part 6 on benefits and Part 7 on winding up. There seems to be a seismic shift in the way this Bill has been originally designed to what is before us today.

It is, of course, a question of balance and achieving the right balance for all the stakeholders
190 concerned, but I am concerned that although Unite are happy with the Bill in its current form, I am aware that certainly the Chamber and the Federation would like to have more input into this Bill, and I also understand that the Gibraltar Association of Pension Fund Administrators would also like to have some input and clarification as to the structure and design of this Bill.

As the Chief Minister has pointed out, a lot of these provisions do not kick in for a number of
195 years to come, and certainly for the larger employers not until 1st July 2021, so there is no urgency in putting this on to the statute book today. I would much rather that this legislation is given a thorough examination by this House and allow all stakeholders to ensure that their feedback is received by this House to make sure that we have the best possible legislation in achieving the balance required between the stakeholders.

200 There are, just from a cursory review of the legislation, some inconsistencies on which I would already be suggesting amendments. For example, under section 10, 'Eligibility for membership', (2)(a) 'must be 15 years old', but if the qualifying period is 12 months you would have to be employed at the age of 14, which is illegal. So there are quirks in the drafting that just

do not make sense. It is impossible for somebody to be eligible at the age of 15 because he would not have qualified, he would have been working for one year, so that in itself is of concern.

Furthermore, we just heard the Chief Minister say, in respect of the contributions under section 11 – in fact 11(1)(c) over the page – that it will be ‘a sum equal to 2% per annum of the employee’s earnings’, but the Chief Minister said ‘each’. He used the word ‘each’. That word is not here. I read this in the original Command Paper and I have read this now and is not clear from this wording who pays 2% and how it is split, whether it is 2% in total, split equally, or 2% each, as the Chief Minister said. So, that in itself, in my view, would require some clarification, and that was in fact a point raised by the Chamber itself in its submission to the Government, in that that particular clause was not clear.

The Chamber has, and obviously all private sector employers have, a vested interest to come up with the best possible result for themselves. I am not proposing that we on this side of the House are necessarily supporting that view, but certainly when it comes to the question of balance we need to take into account their comments, because at the end of the day we all want their support in putting into place these measures which will benefit us all as a community.

So the rate of contribution is extremely important and it is extremely important to have absolute certainty on that point. I am not entirely happy with the idea that the Minister may, by regulation, change that percentage. If we were to look at the UK auto-enrolment legislation, which has now, I think, finally reached its final level, in October 2018, they actually set out a schedule in terms of when rates would change and what those new rates would be, so businesses looking ahead would know in one year, two years or three years’ time what the cost to them would be. And not only that, but ironically – and I am not suggesting we copy this – in the UK the burden was shifted more towards the employee than the employer. So you got to the position, I think only recently, where employees were finding that they had to contribute the maximum amount towards the auto-enrolment scheme, which obviously meant less money in the pocket for them.

As we know, pensions do not come cheap and it is a fact of life – unless you have a final salary scheme, which these days is going the way of the dodo – that new employees, future employees, will have to rely on what is called a defined contribution scheme, which is basically what you put in and whatever its investment value is at the end of 20, 30 or 40 years is what you get out. There are no guarantees, and of course as a Parliament we have a duty, I think, to make sure, and educate our young people that the sooner they start a pension scheme the better off they will be in old age. I know this is something that the Private Sector Pensioners Association has been talking about, but of course for the majority of their members now it is unfortunately too late – they will never be able to make up the level of contributions in 40 years, because unfortunately their time has passed.

We have a duty today to make sure that the best possible legislation is put into place to encourage our young people to save for their future, and in that respect of course we support the principle, but the devil is in the detail.

I do not understand why so many sections have been cut out from the Command Paper. There are elements, for example, where the staging dates have changed. In the Command Paper, the staging date for a large employer was 1st July 2019; the staging date – I am using the UK term, but basically the date of compliance – for a medium employer was 1st July 2021; small, July 2025; and micro, July 2027. Obviously it makes no sense to make 1st July 2019 to be the compliance date – that would have been yesterday – but they have been added on two years, to 2021, in the Bill. Medium gets an extra year to 2022. But then I just find it strange that the small and micro have not had a year added on to their staging date. It is only the large and the medium, not the small and the micro. Again, the Chamber and the Federation have a view where: if you really are a micro, a micro employee, or even a start-up, should there or should there not be a grace period before which you would not be obliged to start providing pensions?

255 That is a debate we can have. It may not be practical if you are in a start-up scenario. Again, this is a debate we can have.

Mr Speaker, as I have said, there are lots of questions that arise from a cursory view of this legislation. I have to say I have been chasing the Chamber and the Federation for feedback in terms of what their concerns are and I understand they are working on papers to submit to Government as to what the concerns may be. Since there is no urgency for the introduction of this Bill, other than electoral cycles – and I think we still have some time, maybe not a lot but we still have some time left in the electoral cycle to get this in before the date of the General Election – I would ask this House to consider delaying the passage of this Bill for those reasons, to make sure we get this absolutely right and in the right balance and to make sure that all stakeholders have their feedback incorporated to the extent possible.

265 So, Mr Speaker, what I would propose, if the House is amenable, is either we commit this Bill to a select committee at the end of the Second Reading or we delay the Committee Stage to a future date once we have had all the feedback in from the other stakeholders. That would be my view and, to put the House on notice, if we do not go for a select committee of the House I certainly will be objecting to taking the Committee Stage today to at least give the other stakeholders an opportunity to get their feedback to the House in terms of any amendments they may wish to propose, to which we can then discuss amply in the House.

270 As I said, there is no urgency to this Bill other than the electoral cycle and I would urge the House to exercise some common sense in considering the passage of this Bill.

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

Mr Speaker: Does any other hon. Member wish to speak on the Second Reading of this Bill? The Hon. Marlene Hassan Nahon.

280 **Hon. Ms M D Hassan Nahon:** Mr Speaker, while the proposed Bill is sound and the subsequent legislative changes will go a long way to bridging the historical divide between private and public sector workers, it cannot be complete without the recognition of the unacceptable conditions that some current private sector pensioners are enduring now in one of the richest – in the words of this Government – economies of the world.

285 I have been working closely with the Private Sector Workers and Pensioners Association for a few years now to bring their concerns to Government, a collective that has been ignored, misled and on occasions outright lied to by successive Governments. The last attempt by Government to appease the Association, namely the Household Support Supplement, has not done much to appease the collective. It provides a lifeline to those living in sheer desperation but it continues to tolerate that private sector pensioners with full old age pensions live on what is effectively a subsistence wage.

290 As a society, we simply cannot afford to have elderly people working well beyond retirement age in order to maintain dignified living conditions or living on meagre subsistence wages while politicians go around boasting a narrative of economic success. There can be no success if we leave our most vulnerable behind, especially those who have worked hard to build our nation and our economy, who have contributed dutifully to the common pot and who today feel cast aside by their institutions.

295 I believe, therefore, that some form of retroactivity, which will have to fall under the responsibility of Government, must be ensured so that we do not subject the elders of today, those currently retired without occupational pensions, to live in dire circumstances in the Gibraltar of luxury real estate development. By voting for this Bill we recognise that this collective has been under-protected and marginalised. If we do not do something to ameliorate the lives of those who have been and are being fully affected by this injustice, we will be condemning these people to a moral apartheid, caught in between the injustice of the past and a better future that they will never take part in.

So, Mr Speaker, I will be supporting this Bill but I urge Government to remember and further engage with the current demographic of elderly private sector pensioners who await their well-deserved financial assistance. A rich society that does this to their elders is morally bankrupt.

310 **Mr Speaker:** Does any other Member wish to speak on the Second Reading before I call on the mover to reply? No.

Hon. Chief Minister: Mr Speaker, thank you for the opportunity to reply.

 Let me just start by reminding the House when it was that the Command Paper for this Bill
315 was first published: it was published in April 2018. In other words, the Command Paper was published a year and three months ago and the Bill was published in April of this year. In other words, the Bill has had many more than six weeks to come to fruition and debate in this Parliament. The constitutional period for a Bill to be published and to be before the community for all those who may have an interest in it to contribute in comment, either publicly in the
320 media or directly in correspondence with Members of this House, or indeed the Government as the promulgator of a Government Bill, is not just passed, it is more than passed, it is double passed. Indeed, in the period since the Command Paper, the Hon. Mr Clinton in his address has identified changes from the Bill that was published.

 Of course, I am starting to get used to dealing with the contributions of hon. Members now. I
325 do not know whether they will be here after the election so that we will have to continue to be used to them or not, but whatever we might have done in the context of the Command Paper, whether we had published exactly the same piece of legislation as a Bill or whether we had made changes, we would have been open to criticism. If we had published the same Bill that was in the Command Paper, we would be told that we had not listened and that there was no point
330 in publishing a Command Paper if we were going to publish as a Bill the same piece of legislation. Because we have made changes, we are told that we may have changed too much and ‘why is it that we have done these things?’

 I would have thought the whole structure of the way that we bring legislation to this House – a concept that we introduced, which is to publish what in the UK would have been known as, I
335 think, a White Paper, to give the community additional time to respond and contribute with views as to proposed legislation – would have enabled hon. Members to understand that we have made changes because in that process we have had representations made by the self-same Chamber, Federation and unions that they have referred to, which have led us to make these changes in the year and three months since then.

 The publication of the Command Paper, however, was not the first step in this process. We
340 started to talk to the Chamber, to the Federation and to Unite the Union probably before the last election – I do not want to say it was before the last election, but I am darned sure it was – but certainly after the last election. The Command Paper is a product of those initial discussions and the Bill is a product of those discussions after publication of the Command Paper. We have
345 had a lot of representations from the Chamber and the Federation, and indeed I have acknowledged that in my speech on the Second Reading because I am conscious of the fact that we have done a balancing act. We have not – and this is what I said at the end of my introduction to the Bill – done the Bill that the union would have liked to see; neither have we done the Bill that the Chamber or the Federation would have liked to see. Let’s be very clear,
350 Mr Speaker, the Chamber and the Federation do not want to see this Bill, even though – and I want to go out of my way to say that – most of the members of the Federation and the Chamber voluntarily include pension provision for their employees without having to be compelled to do so, but as a matter of legislative compulsion they are not attracted to there being such a statute on our statute book. What one cannot do is indefinitely delay the evil day when the legislation
355 that one might not wish to see on the statute book actually becomes a reality, when it is in fact a commitment which a political party has taken to the people and the people have chosen. Therefore, we feel that we have an obligation to bring this particular Bill. This is not a Bill that

arises from a case in respect of Northern Ireland. This is a Bill that arises in respect of a direct plebiscite in Gibraltar which requires us therefore to bring this Bill.

360 We think that we have already done the exercise that Mr Clinton sets himself up in his speech as if he were the arbiter of. In other words, we think that in three and a half years of discussions with the unions, the Chamber and the Federation, we have distilled the core principles that are relevant and we have done the balancing act. We therefore, Mr Speaker, are not going to agree to send the Bill into committee, because the hon. Member knows, that in order to be able to take the Committee Stage and Third Reading today we require unanimity of the House and he has already given notice that he is not going to allow that unanimity, which is, I suppose, the power he has. Well, Mr Speaker, we shall take the Committee Stage and Third Reading when the House resumes. If in that time hon. Members, or the Chamber or the Federation, wish to feed anything in to the Government that has the majority in this Parliament to be able to amend the Bill, they are very welcome to, as they would have been welcome to do so up to today, and as they in fact have done in the period leading up to the end of the consultation process under the Command Paper, the period before the publication of the Command Paper etc.

375 So, Mr Speaker, with the very greatest of respect to hon. Members, I think it is just frankly a misunderstanding of what the principle of legislation is all about and how the process of legislation comes through to this House to suggest that we must now send the Bill to a committee because hon. Members would like themselves to do the balancing act that the Government believes that it has properly done.

In relation to some of the detail that the hon. Member raises, I am quite happy to deal with those issues when we deal with the Committee Stage.

380 On the issue of the 15 years, there is no anomaly there. There is a very simple reasoning and the simple reasoning is that if you do not put in the age of 15, you are creating a disconnect between the Pensions Bill and the age at which the Social Insurance contributions start to count for pensions purposes under our law. The reason we have done that is because we changed our law in that respect very recently, in fact I think in the lifetime of this Parliament or late in the lifetime of the last Parliament – (**Hon. Sir J J Bossano:** This Parliament.) in the lifetime of this Parliament, I am reminded by the Hon. Mr Bossano – because we thought it was unfair that there should be a different age applicable in Gibraltar to that in the United Kingdom and we thought that if people were at work, their contributions should count. When those contributions did not count it was a different world, young people's contributions were deemed not to have to count, but we take a completely different view and therefore we think that the age from which one should be entitled to have a pension vest is the age of 15. If we put 16 in, there might be some who would argue that you would not vest until 17, after you had done the year, and so what we want to be very clear about is that the period by which you start to accumulate rights – and that includes the right to the effluxion of time against your work – is the age of 15. Mr Speaker, I do not think that is an issue which arises as a mistake from a cursory review. I think that is an issue that arises from unknowing pedantry which leads the Hon. Mr Clinton to make a remark which is actually of little practical consequence. No doubt he will raise it again in the Committee Stage and no doubt we will have to deal with it then.

400 Mr Speaker, on other points ... and some of these points are raised by the Chamber, he says. Well, some of these have not been raised by the Chamber with us, which surprises me, but I am very happy to receive these points from the Chamber.

In relation to the question of balance, I think I have already explained that we feel that we have done that exercise already.

405 Then he raises that he has noted under the UK scheme – a scheme which I should just pause to reflect was introduced by a Conservative government in the United Kingdom; this is not a Labour Party or Labour government piece of legislation, it is a Conservative government piece of legislation, and perhaps as a result of that, this is what occurs – the balance shifts towards employees having to contribute larger amounts than employers. He says, 'I am not suggesting

that we should follow that, of course, Mr Speaker.' I do think that he doth protest too much when he makes that point, because it does seem to me that he wants to come here to make the points that the Chamber would like to hear him make, whilst at the same time trying to pretend, to those who he might wish to dupe into thinking that he is a champion of the working classes, that he is anything other than that. He will forgive me for seeing straight through him in that respect.

The changes to the dates on which the obligation kicks in, in respect of large, medium, small and micro businesses, has been changed from the Command Paper, of course, because the Command Paper was published in 2018, we were not able to proceed with the publication of the Bill in 2018, we published it in 2019 and therefore, if we proceeded immediately to keep the same dates, of course it would have been immediately upon those in large companies to have an incumbent obligation to have provision for private sector pensions. It made no sense to do that and therefore the dates have been shifted forward in the way that he has accurately managed to read out to the House. But the dates have not been shifted forward in the context of small and medium-size or micro businesses because those dates were already sufficiently far forward in time that we did not feel it was necessary in the balance that we did to continue to shift that period forward.

It is true that there are no specific provisions in respect of start-ups, but as I told the House when I made my contribution, if you have a start-up, then you do not have anybody who has contributed or has been employed for more than a year. So a start-up has a grace period equivalent to the period by which its employees must be employed by it before they are able to have these rights, and so a start-up has a year's grace.

Yes, Mr Speaker, we could have a debate as to whether small and micro businesses should make this provision. We could have a debate, but I think the hon. Gentleman sets the bar as if we had not had that debate ourselves and as if we had not considered these issues ourselves.

Although I will deal with the hon. Lady's reference to apartheid a little later, what the hon. Gentleman is telling us to do is to create an apartheid-style regime – in other words, to say, 'If you, employee, are employed by a small or micro business, some think that you might be required to fall out of this protection.' If we are saying that this is something that must attach to every worker in our economy, then the size of the employer of the worker is something that cannot come into the equation, because otherwise you are not covering every employee in the economy. We have given this a lot of thought. You can have a cottage industry where there is one person running a business and they are employing one person. Are we saying that that one person, that one employee, should not have the same right to contribute to a pension scheme that others do? Given the amounts that we are suggesting should be contributed, which are very modest indeed, we have reached a determination, having had the debate, that everybody in our economy should be able to be eligible to contribute to a scheme in that way.

They may wish to persuade the public and the electorate that actually there should be a different regime applicable and they might garner the support of micro and small businesses. They may do, but I really think that, given how this economy operates and the fact that most in our economy are already seeking to provide benefits to their employees without the need for compulsion of law, actually the moral compass of most in the business community is not, as the hon. Gentleman's moral compass seems to suggest, taking them towards excluding people from benefit, but in seeking voluntarily to include people in benefits. Therefore, I think we have done the balance right in that respect and I think it is absolutely right that we should pursue it in this way.

Mr Speaker, three years after we started this process, a year and three months after the Command Paper was published, almost four months after the Bill was published, the hon. Gentleman tells us that he is trying to get something from the Chamber and the Federation and he tells us that the Chamber and the Federation are working on papers. Well, how long is a piece of string and how long can this go on for?

The hon. Gentleman has told us that he is going to object to the Committee Stage and Third Reading being taken today. So be it. If he feels that he wants to have at least until the next adjourn date, so be it; he is entitled to that under the Rules of the House – he has potentially at least until tomorrow in order to be able to stop the Committee Stage and Third Reading. But the Chamber and the Federation have not asked us for more time, and given the strong working relationship that we have with them, a relationship of partnership, which is what delivers the strength of this economy, I am surprised that that should be the case. But if the Chamber and the Federation wish to bring us those views before the next adjourn date, so be it.

I do not think there is a need for delay to allow feedback by all stakeholders, I do not think there is anything to be gained by sending this Bill to a committee, I do not think there is anything to be gained for working people by delaying the passing of this Bill, but when a Member of this House gets up and says there is no urgency to this Bill other than electoral cycle, it is really a phrase spoken like a well-provided-for pensioner.

Mr Speaker, the hon. Lady raises a point that I think I have to deal with, because I do sincerely believe that it is a point that she makes and makes over again and that she is absolutely wrong about. I think she knows my views in respect of the position that she has taken in relation to existing pensioners from the private sector, because it is a point she has made before and it is a point that I have answered before, but it is important that I lay it on the record. It is not true that private sector pensioners have been ignored, misled or indeed lied to, certainly by this Government, far from it. Private sector pensioners have been listened to only ever by this administration, private sector pensioners have been met and we have worked through issues with them only ever by this administration, and this administration has not lied to anyone.

But it is true that we have not fulfilled the ambitions of some people in the private sector pensioners group. We have to be very clear in our community: there is a difference between poverty and wanting more, something which I fully respect, but let us not pretend that people have been ignored, misled or lied to, or that people are living in poverty, when what has happened – and it is important that I clarify what has happened and who has made it happen and the mechanisms by which it has happened – what has happened is that we have taken a process that was started by the former administration, which is to provide a minimum income guarantee, and supported the expansion of that principle outside of Government. Although the Private Sector Pensioners Association I think was not formed at the time and the former administration gave rise to this in a different way, the former administration – and I am not taken to speak kindly of them, as the hon. Lady knows – introduced something called the Minimum Income Guarantee as a Government safety net so that nobody in our economy over the age of 60 received less than a particular amount per annum. We thought that was a very low amount, but at least it was a recognition that there was to be an income which attached to people who had made no contributions, people who might find themselves just completely with nothing. There was a Government safety net added, the Minimum Income Guarantee.

When we engaged with the Private Sector Pensioners Association we realised that there were people who had not been able to make contributions to private sector pensions, because there was not a requirement in law that they should have those options, or because their employers did offer private sector pensions and they chose not to make those contributions, or because they had taken those contributions as a lump sum and had not necessarily spent them but had invested them and they might have been lost, or indeed people who have come from working outside Gibraltar and have worked in Gibraltar for a very short period of time and are not able to have a meaningful amount of money.

The language I am going to use now is important and the hon. Lady needs to be aware of why. We supported – we did not introduce, we supported – that the independent charity Community Care should pay them an amount which was equivalent not to a minimum income guarantee but to the minimum wage going into any household in Gibraltar, therefore going up every year as the Government has put up the Minimum Wage, calculated on the number of hours that an individual would work in our economy. So, 37½ hours by 52 weeks a year at £6.75

last year, £7 this year, £7.25 next year and £7.50 the following year. Remember that the Minimum Wage has gone up already 25% in the time since we have been in office. It will have gone up by a third, given the measures I have introduced already.

What we have supported – and hon. Members will understand why I am using that word and not the word ‘introduced’ – is that every pensioner couple in our economy has the same money coming into their household as any worker in our economy on the Minimum Wage. A worker in our economy on the Minimum Wage might be a working person with a spouse and children, and that might be their income – and we might all wish that the Minimum Wage was five times what it is today, but we are working in economic reality. Those young families and not so young families, those families where the breadwinner is earning the Minimum Wage and the other spouse is not at work and they have one, two, three or more children, manage their household with the Minimum Wage. We are saying a pensioner couple who have not got any private sector provision will have – of course means tested, because we could not have them with other means and yet also have an income of the Minimum Wage – at least the Minimum Wage coming into their household. That is at now approximately £12,000 a year, approximately £1,000 a month, approximately £250 a week. If the hon. Lady cares to look at what I am saying we have supported the introduction of through Community Care, that is extraordinarily generous. That is not generous; that is extraordinarily generous. (A Member: Hear, hear.)

If something has been introduced which is extraordinarily generous, that does not mean, of course, I accept that it is what people want or what people might expect, because some people have indicated, indeed have said in some of their public statements, that they believe that they too have built the Gibraltar economy – which in some instances is absolutely true – and that they too should be entitled to receive the same pension that a civil servant is taking because they have non-contributory final salary pensions. Well, Mr Speaker, I understand why people might wish that, but this Government, either as a political party or as a Government, has never said anything which can be suggested as being interpreted as a promise, commitment or otherwise that that is what we would provide. Far from it. What we said we would do is that we would provide something linked to average earnings, and in our view the Minimum Wage is linked to average earnings – indeed, it has gone up more than average earnings have gone up in our period – and we have provided that. If you are a single pensioner, what we have supported that Community Care have introduced is that you should receive not half of the Minimum Wage into your household but two thirds, because the two thirds for an individual is the calculation that is traditionally done in the context of Social Insurance payments and indeed other pension payments.

So, Mr Speaker, if the hon. Lady is saying that that is a subsistence wage, well, she is saying that the Minimum Wage is a subsistence wage. She can make that argument if she likes; we could all make the argument. I will tell her very frankly – let’s make no bones about it – I think the Minimum Wage is low. I sincerely wish we could raise it more in the future. I have an eye to some ideas; perhaps hon. Gentlemen opposite also. We would all wish to see those people who earn the lowest wages come up. They did not put it up as much as we did and in some years they did not put it up at all, but let’s wipe the slate clean. I am sure we would all – especially this year, Mr Speaker, what are they going to say? (Laughter) – wish to see the Minimum Wage go up more. Well, we have demonstrated by our actions every year that the Minimum Wage has gone up. (A Member: Hear, hear.)

If hon. Members make the argument that the Minimum Wage is a subsistence wage, they need to know that the Gibraltar Minimum Wage is in the G3 Group of the European Union. That means that we are in the third group of minimum wages in the European Union for those nations that enjoy the benefits of a Minimum Wage. The top third is the G3 – the top third. Two years ago, our Minimum Wage was almost double the Minimum Wage 500 yards across the Frontier. It is now not quite double because the election of a socialist government there gave that minimum wage a jump; we continued to grow and we suffered a reduction of the euro-pound by almost 20%-25%, so that is how there is an erosion between currencies.

But it is not legitimate, other than for the purposes of making an argument, wanting to be heard and seeking to garner votes ... Jesus Christ is reputed to have said to St Peter, 'Come with me and I will make you a fisher of men.' Well, Mr Speaker, arguments like that are designed to be fishers of votes. But in order to be legitimate, those arguments have to be thought through and in this instance, although she has made this argument before and I told her exactly the same thing before, I cannot allow her to make the argument without challenging it on the basis that actually this is an extraordinarily generous ... It is not an allowance, it is an extraordinarily generous payment which the Government has supported that Community Care should introduce in order to ensure that some of those who were genuinely in difficulty in that class of private sector pensioners should have some support. Therefore, it is simply untrue to say that there are people who are cast aside by institutions in our community. That is not the case.

Sometimes we have to have a bit of a reality check in Gibraltar. If you go to any European economy and you say nobody in this economy, even if they have contributed not one penny to a private pension scheme – *nobody* – is going to have less of an income than the Minimum Wage as a couple in a household, and no individual less than two thirds of the Minimum Wage ... I think that those are things that lead most, who are not making arguments seeking to garner electoral support, to believe and then say that we are blessed to live in a place like Gibraltar, and that I think is one of the blessings that we have supported the introduction of.

And so, therefore, when we talk about a moral apartheid, I think that we need to reserve those arguments for the moments when they might be necessary. We have lots of things to argue about which are going to engage us at a moral and human level and a level of conscience in the remaining lifetime of this Parliament. This is not one of them in the context of what I have told the House. I sincerely say – I am going to end with these remarks, and she knows that I say these things to her with political combativeness but personal affection – it is unfair and it is wrong to say that the Government has presided over anything that could be characterised as moral apartheid when we have done quite the opposite and we have demonstrated a deep commitment to wanting to assist those who came to us in the context of the arguments that they put to us, although I do recognise that there are some in that collective who had an expectation built upon themselves which was out of kilter with what is realistically possible.

For all of those reasons I am going to commend the Bill to the House in the knowledge that if I move that the Committee Stage should be taken later today, because that requires only one vote to stop it, we will not be able to progress and workers in our economy will not have the benefit of this Bill as from tomorrow because one man is going to stand in the way.

Mr Speaker, when the time comes, our voting record will speak for itself on all matters, not just those that appear to be most controversial.

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

Mr Speaker: I now put the question, (**Hon. R M Clinton:** Mr Speaker –) which is that a Bill for an Act to make provision (**Hon. R M Clinton:** Mr Speaker –) with respect to the provision of pension plans to employees employed in the private sector, to establish a Pensions Commissioner, and for connected purposes, be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Private Sector Pensions Act 2019.

**Private Sector Pensions Bill 2019 –
Committee Stage and Third Reading deferred to a future sitting**

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill will be taken today, if all hon. Members agree.

Hon. R M Clinton: Mr Speaker, I would beg leave of the House ...

615

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

Some Members: Aye.

620

Some Members: No.

Hon. R M Clinton: Mr Speaker, I beg leave of the House to commit the Bill to a select committee of the House.

625

Mr Speaker: That must be dealt with by means of a motion.

Hon. R M Clinton: Yes, there is no notice required for the motion.

630

Mr Speaker: No, just put a motion down.

Hon. R M Clinton: Well, that is what I am doing, Mr Speaker.

Mr Speaker: In writing, please. I want to see the text of the motion.

635

Hon. R M Clinton: Well, just committing it –

Mr Speaker: It is a short motion. You should be able to draft it almost immediately: you ‘beg to move that the Bill be ...’ – that is all.

640

Hon. R M Clinton: Yes, okay. Will a Post-It do, Mr Speaker?

Mr Speaker: ‘I beg to move that the Bill be committed to a select committee’, or ‘that the Committee Stage be postponed’, whatever it is that you are seeking.

645

I draw attention to Rule 31(2): ‘The only amendment to the question permissible shall be one postponing the second reading to some subsequent date’, and that is to be done by means of a motion.

Hon. Chief Minister: What is it, the Second Reading, that the hon. Gentleman is trying to postpone? The Second Reading has passed and we have voted.

650

Mr Speaker: The Hon. Mr Clinton begs to move that the Bill be committed to a select committee of this House.

I now propose the question that the Bill be committed to a select committee of this House, and hon. Members may speak on that motion.

655

Hon. R M Clinton: Well, Mr Speaker, obviously I do not intend to say much, other than what I have already said and that the idea of committing the Bill to a select committee is that it can be given a lot more time and consideration by this House in terms of detail.

Failing the passing of that motion, Mr Speaker, as I have already given notice, I would be objecting to Committee Stage.

Mr Speaker: Does any hon. Member wish to speak on Mr Clinton's motion? The Hon. Chief Minister.

Hon. Chief Minister: Yes, Mr Speaker. This is a mechanism to seek to delay a Bill that is designed to create rights for working people in our economy. If the Government were to be susceptible to a criticism that we would accept with a heavy heart, it is that we have not moved quickly enough in respect of this provision, but what we are witnessing – and the Hon. Mr Isola sometimes makes observations which manage to encapsulate in one word or phrase that which others of us may not have the ability to put so succinctly – is the attempt to con the House and to con working people into thinking that there is a good reason for delaying the consideration of the Committee Stage of the Third Reading of this Bill.

Mr Speaker, we have read the Bill already a second time, anyway, and we were about to vote the Committee Stage and Third Reading being taken today, yet the motion that the hon. Gentleman has moved I think is one that should be taken immediately after the Second Reading, not immediately when we are now –

Mr Speaker: Section 32.

Hon. Chief Minister: That is right, not now, where we were already voting going to the Committee Stage and Third Reading.

But that aside, Mr Speaker, the motion will not enjoy the support of the Government side of the House.

Mr Speaker: Okay. Does the hon. Lady wish to speak on the motion?

I now put the motion in the terms moved by the Hon. Roy Clinton. Those in favour? (**Some Members:** Aye.) Those against? (**Some Members:** No.) (*Interjections*)

Sorry, my apologies, I should have given you an opportunity to reply. The Hon. Roy Clinton.

Hon. R M Clinton: Thank you, Mr Speaker – I know this is not a mechanism that is used often enough in this place.

As I have said already, there is no great urgency to this Bill, in the sense that it does not start until 2021 at the earliest, and certainly, as I have already said, from this side of the House it will enjoy our support in principle but what we would like to do is make sure that the detail is there. As we all know, the devil is in the detail and we want to make sure that we get this absolutely right. Of course it is a matter of regret that the Government will not support the creation of a select committee to give such an important Bill due consideration.

Thank you, Mr Speaker.

Mr Speaker: I now put the motion in the terms moved by the Hon. Roy Clinton. Those in favour?

Hon. Chief Minister: I call a division, Mr Speaker.

Mr Speaker: You want a division, very well.

Clerk: P J Balban. (**Hon. P J Balban:** No.) J J Bossano. (**Hon. Sir J J Bossano:** No.) R M Clinton. (**Hon. R M Clinton:** Yes.) J E Cortes. (**Hon. Dr J E Cortes:** No.) N F Costa. (**Hon. N F Costa:** No.) D A Feetham. (**Hon. D A Feetham:** Yes.) J J Garcia. (**Hon. Dr J J Garcia:** No.) T N Hammond. (**Hon. T N Hammond:** Yes.) M D Hassan Nahon. (**Hon. Ms M D Hassan Nahon:** No.) A J Isola. (**Hon. A J**

Isola: No.) G H Licudi. (**Hon. G H Licudi:** No.) S E Linares. (**Hon. S E Linares:** No.) L F Llamas. (**Hon. L F Llamas:** Yes.) E J Phillips. (**Hon. E J Phillips:** Yes.) F R Picardo.

715 **Hon. Chief Minister:** In solidarity with working people, no.

Clerk: E J Reyes. (**Hon. E J Reyes:** Yes.) S J Sacramento. (**Hon. Miss S J Sacramento:** No.)

Voting resulted as follows:

FOR

Hon. R M Clinton
Hon. D A Feetham
Hon. T N Hammond
Hon. L F Llamas
Hon. E J Phillips
Hon. E J Reyes

AGAINST

Hon. P J Balban
Hon. Sir 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. F R Picardo
Hon. Miss S J Sacramento

ABSENT

None

720 **Mr Speaker:** There are 6 votes in favour of the motion and there are 11 against. The motion is defeated and therefore the position is that this Bill will now be committed to a Committee of the Whole House at a subsequent date to today, whenever that may be.

**Public Services Ombudsman (Amendment) (University of Gibraltar) Bill 2019 –
First Reading approved**

Clerk: A Bill for an Act to amend the Public Services Ombudsman Act 1998 to provide for the investigation of complaints by students about administrative acts or omissions of the University of Gibraltar, and for connected purposes.

The Hon. the Minister for Tourism, Employment, Commercial Aviation and the Port.

725

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 Public Services Ombudsman Act 1998 to provide for the investigation of complaints by students about administrative acts and omissions of the University of Gibraltar, and for connected purposes, be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Public Services Ombudsman Act 1998 to provide for the investigation of complaints by students about administrative acts or omissions of the University of Gibraltar, and for connected purposes, be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

730

Clerk: The Public Services Ombudsman (Amendment) (University of Gibraltar) Act 2019.

**Public Services Ombudsman (Amendment) (University of Gibraltar) Bill 2019 –
Second Reading approved**

Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi):

735 Mr Speaker, I move that the Bill be read for a second time.

The purpose of this Bill is to extend the jurisdiction of the Ombudsman so as to enable him to investigate complaints by students regarding administrative actions taken by or on behalf of the University of Gibraltar. As with investigations with respect to other bodies, the Ombudsman will not be able, generally speaking, to conduct an investigation until an aggrieved person has exhausted the University's review and appeal process.

740 This initiative has come about as a result of a recommendation from the Gibraltar Regulatory Authority (GRA), which is the University's regulator, that the University have arrangements in place for an independent review of students' complaints. The GRA's recommendation, in turn, was based on the UK's Quality Assurance Agency standards for higher education providers. The recommendation was discussed and agreed with the University's Acting Vice-Chancellor and has been endorsed by me. I would add that the recommendation was also discussed with the Ombudsman, who agreed to the extension of this jurisdiction.

745 This is another example of the further maturing of the University of Gibraltar into an institution whose practices and procedures are up to the very highest international standards. It is, in fact, an institution that we can all be proud of.

750 Mr Speaker, I commend the Bill to the House. (*Banging on desks*)

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

755

Hon. E J Reyes: Mr Speaker, we thank the Minister for the explanation that he has just presented to this House, and certainly, in the spirit of wishing only but the best for the University of Gibraltar, we will be happy to support this Bill.

760 **Mr Speaker:** Does any other hon. Member wish to speak on the principles and merits? No.

Does the mover wish ...? No, no need to reply, so I will now put the question, which is that a Bill for an Act to amend the Public Services Ombudsman Act 1998 to provide for the investigation of complaints by students about administrative acts or omissions of the University of Gibraltar, and for connected purposes, be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

765

Clerk: The Public Services Ombudsman (Amendment) (University of Gibraltar) Act 2019.

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should now adjourn to Friday, 12th July at 11 o'clock in the morning.

770

Mr Speaker: The House will now adjourn to Friday, 12th July at eight in the morning. (**A Member:** No!) (*Laughter and interjections*) The Chair is slipping – I must chastise the Speaker! (*Laughter*) At 11 in the morning – I put it down in the diary and I do not know why I said eight! Very well.

775

The House adjourned at 4.23 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.09 a.m. – 1.37 p.m.

Gibraltar, Friday, 12th July 2019

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The Gibraltar Parliament

The Parliament met at 11.09 a.m.

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

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

Standing Order 7(1) suspended to proceed with laying of petition

Clerk: Meeting of Parliament, Friday, 12th July 2019. Order of Proceedings. Suspension of Standing Orders. The Hon. the Chief Minister.

5

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with the laying of a Petition on the table.

10 **Mr Speaker:** Those in favour? (**Members:** Aye.) Those against? Carried.
The Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I beg to move that the petition standing in my name be read.

15 **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.) Those against? Carried.

Clerk: The petition is addressed to the Gibraltar Parliament and reads as follows:

The petition of the undermentioned signatories believe that the Gibraltar British citizens should be democratically represented in Westminster. Furthermore, we believe that this is a right that all citizens should have, to be democratically represented in a Parliament where, at times that concern us are being debated. Your petitioners request all Members of Parliament to support the right of all Gibraltar British citizens to be democratically represented in Westminster and that we keep our retained autonomous powers as per our 2006 Constitution, our double lock and sovereignty, and our Chief Minister will always be our spokesperson. Moreover, we ask the hon. Members of the Gibraltar Parliament to debate our petition and to include a member of our movement in the next Constitutional Reform Committee, so that the wishes of 11,500 signatories are respected and listened to. Furthermore, on behalf of all our signatories we present to all the hon. Members of the Gibraltar Parliament a petition supported by 14,000 signatories of which 11,500 were from Gibraltar British citizens and 2,500 were mainly from British visitors to Gibraltar, a copy of which was handed to Her Majesty's Government of Gibraltar on 27th February 2019.

And there follow all the signatories. (*Banging on desks*)

**Statement by the Chief Minister;
Grace I supertanker
Welcome to Island Games athletes**

20 **Mr Speaker:** Communications – the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, all Hon. Members will be aware that last week I signed a Direction under regulations made under the Sanctions Act 2019.

25 Acting pursuant to that Direction and all other relevant legal powers, the Captain of the Port – ably assisted by the Royal Gibraltar Police, Her Majesty's Customs and the Gibraltar Defence Police – detained a supertanker, known as a very large crude carrier or VLCC, by the name of the *Grace I*. With my consent, the actions of our Port and law enforcement agencies have been supported by the armed forces of the United Kingdom under a request for military assistance to the civilian authorities.

30 Last week, we acted because we had reasonable grounds to believe that this vessel was taking actions in breach of established EU sanctions against Syria. These actions would be contrary to the law of Gibraltar, as the EU sanctions are contained in an EU regulation which has been directly applicable in Gibraltar since 2012. After laboratory testing, the cargo has now been confirmed to be 2.1 million barrels of light crude oil.

35 We will not allow Gibraltar to be used or to be knowingly or unknowingly complicit in the breach of EU or other international sanctions, or for any of the matters which our laws prohibit. With the powers that we took under the 2006 Constitution come also the responsibilities to act as required under European and international law when the time comes and the circumstances require it.

40 Now that these actions have been taken, their consequences may be challenged and tested in the courts. The regulations I made set out specific provisions to allow for such a challenge by any party alleging that they have a claim to the vessel and its cargo. As the sanctions being enforced are established by the European Union, last week I wrote immediately after the detention of the vessel to the Presidents of the European Commission and of the European
45 Council, Mr Juncker and Mr Tusk, setting out which EU sanctions we have enforced. I have also provided this information directly to the office of the High Representative, Ms Federica Mogherini.

These actions were, of course, taken after a unanimous decision of the Gibraltar Cabinet. The matter is now in the Supreme Court.

50 Yesterday, the Royal Gibraltar Police announced that they had arrested the captain and the first mate of the *Grace I*. The RGP stated that this followed a protracted search of the vessel, where documents and electronic devices have been seized and examined. RGP and HM Customs also confirmed that officers involved in the investigation of a suspected violation of these sanctions were interviewing both men under caution at RGP headquarters at New Mole House.
55 Both have been accorded, of course, their legal entitlements and access to consular representation.

Gibraltar's actions in relation to the *Grace I* have been reflected in the world headlines in the past week. I therefore want to confirm to the House that all relevant decisions in respect of this matter were taken as a direct result only of the Government of Gibraltar having reasonable
60 grounds to believe that the vessel was acting in breach of established EU sanctions against Syria. There has been no political request at any time from any government that the Gibraltar Government should act, or not act, on one basis or another. The information which related to the alleged Syrian destination of the vessel and its cargo legally required Gibraltar to take the necessary action once the vessel freely entered the jurisdiction. The decisions of Her Majesty's
65 Government of Gibraltar were taken totally independently, based on breaches of existing law and not at all based on extraneous political considerations. These important decisions about breaches of our laws were certainly not decisions taken at the political behest or instruction of

any other state or third party. In nations governed by the rule of law, decisions about the application of laws relating to what are potentially criminal offences are decisions made based on facts and legal analysis and are not decisions made on the basis of political requests, whoever the requesting party may be.

The provenance and origin of the cargo aboard the *Grace I* has not been relevant at all to Gibraltar's actions. We have no desire, right or obligation to do anything other than enforce the existing sanctions against the Syrian regime as we are bound and legally required to do by EU Regulation 36/2012, because these are not our sanctions but the EU's sanctions, Mr Speaker. We are acutely conscious, in fact, of the environmental issues that arise from the type of cargo that is held aboard *Grace I*. There are obvious inherent risks in the maintenance of such a cargo, all of which are being skilfully mitigated by the Gibraltar Port Authority, both as to security and all other relevant concerns. I know this will of course be a concern to citizens both in Gibraltar and in neighbouring states. The Government will want to give reassurances that we are working to ensure that there are no transboundary effects as a result of the maintenance of the cargo of the *Grace I* in Gibraltar.

Finally, I want to thank the brave men and women of our British armed forces, the Royal Gibraltar Police, Her Majesty's Customs, the Gibraltar Defence Police and the Gibraltar Port Authority for their work in securing the detention of this vessel and its cargo. The House can be assured that Gibraltar remains safe and our international reputation is nothing but enhanced by these actions.

Mr Speaker, before I sit down I think it is incumbent on me, on behalf of the whole House, given that we are sitting during this relevant week, to welcome all the athletes of the International Island Games to Gibraltar, (*Banging on desks*) to the magnificent Games that have been organised. Despite the weather, which in July we tend to be able to guarantee – but we have a Climate Change Bill on the agenda which might address some of that – I think these have been an excellent Games and I am grateful even to hon. Members opposite for reflecting on the fantastic facilities that have been provided for the Games to be held. (*Banging on desks*)

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

Hon. E J Phillips: Mr Speaker, we welcome the Statement by the Chief Minister in relation to the events that unfolded last week in relation to the *Grace I* and of course it is right that our laws are upheld and our regulations are upheld. We will of course keep this situation under close observation and any disputes that arise in the context of open court proceedings, but we welcome the determination of the Government to uphold the laws of Gibraltar and the regulations and I think it is a message to the world that Gibraltar will uphold EU regulations and sanctions.

Mr Speaker, in relation to our athletes, of course I again congratulate the Government for holding the Games and indeed our young athletes and athletes from around the world who have descended on Gibraltar. It was a very proud day to see all of us in Gibraltar cheer on Jessy in his gold medal, as presented by the Chief Minister, and all the other athletes in Gibraltar who have secured medals – and those who also have participated but may not have succeeded in securing a medal. Participation in these events is so very important for our community and the wider community. (*Banging on desks*)

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Chief Minister for his Statement and I would like to, from my part and from the part of my party, Together Gibraltar, thank the essential services, the hardworking local officers from Customs to Police and internationally the Royal Marines, for their bravery and diligence within this very delicate situation. We hope that they are being given the adequate support from the Gibraltar and British governments and we wish them all the very best in their continuing operations.

120 In terms of the Island Games, I echo the sentiments of the Chief Minister and the Leader of the Opposition welcoming them to Gibraltar. It has been a great buzz for Gibraltar this week and it has been a very proud week for us and for our community.

Thank you. (*Banging on desks*)

125 **Hon. Chief Minister:** Mr Speaker, if I can thank both hon. Members for those statements of support in relation to the action taken in respect of the *Grace I*, and in particular for their gracious words in relation to the organisation of the Island Games and the recognition of all our athletes and all the athletes who are visiting us.

130 I cannot but suggest that – if we hold the non-partisan approach for a moment – there is one gold medal missing for now but I think it will be awarded tonight at the closing ceremony, and that is for Steven Linares for his work in ensuring that the Games happened. (*Banging on desks*)

Corrections to Hansard re Questions WQ8/2019 and Q65/2019

Clerk: The Hon. the Minister for Health, Care and Justice.

135 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, I rise to place on the record of *Hansard* corrections to answers provided previously to two questions – Written Question 8 of this year and Oral Question 65 of this year.

Q65-74/2019 Prison Act 2011 – Release of offenders on licence

Clerk: Question 65. The Hon. D A Feetham.

140 **Hon. D A Feetham:** Mr Speaker, in relation to all offenders convicted of violent or sexual offences released on licence since the Prison Act commenced, please provide details of their sentence and time served before release.

145 **Minister for Health, Care and Justice (Hon. N F Costa):** I now hand over to the hon. Gentleman a schedule which includes the sentences imposed on prisoners in relation to violent and sexual offences who were released on parole licence since the Prison Act 2011 commenced, together with the length of sentence served.

Q65/2019

PRISONER	SENTENCE NUMBER	SENTENCE				TIME SERVED (DAYS)
		YEARS	MONTHS	WEEKS	DAYS	
1	1	2				
	2		1			
	3		1			303
2	1	4				799
3	1	3				
	2			3		373
4	1	4	6			550
5	1	3				
	2	4				
	3-29				135	1246
6	1	1	6			186
7	1			46		182
8	1		22			358
9	1		18			186
10	1		22			327
11	1	3				367
12	1	4	6			915
13	1	2	8			449
14	1		16			
	2				14	217
15	1		9			
	2		15			243
16	1	3				365
17	1	2	4			482
18	1	4	5			729
19	1		12			184
20	1	5	4			
	2		3			
	3			10		
	4			10		819
21	1		16			199
22	1	3	3			
	2				5	
	3				10	
	4				15	
	5				10	

PRISONER	SENTENCE NUMBER	YEARS	MONTHS	WEEKS	DAYS	TIME SERVED (DAYS)
	6				5	409
23	1	4				659
24	1	2	8			326
25	1	2	8			
	2		3			354
26	1	13				1609
27	1	7				925
28	1	2	8			347
29	1	2				326
30	1		20			204
31	1	4	3			639
32	1		18			189
33	1		12			209
34	1	1				
	2	2				396
35	1		20			200
36	1		18			182
37	1	4				660
38	1		16			196
39	1	4	8			853
40	1	2				253
41	1	2	8			
	2	1				
	3	4				962
42	1		1	6		
	2			3		
	3				72	482
43	1	3	4			495
44	1	1	8			
	2				15	207
45	1	1				186
46	1	5	6			690
47	1	4	6			737
48	1	1				247

Order of the Day

PAPERS TO BE LAID

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

150 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have over the honour to lay on the table the Ombudsman's Annual Report for the year ended 31st December 2018, and the Annual Report of the Gibraltar Regulatory Authority for the year ended 31st March 2019.

Mr Speaker: Ordered to lie.

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

155 **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.

GOVERNMENT BILLS

FIRST AND SECOND READING

Financial Services Bill 2019 – First Reading approved

160 **Clerk:** (ix) Bills – First and Second Reading.

165 A Bill for an Act to provide for the regulation of financial services and markets and fiduciary services; to make provision in respect of the Gibraltar Financial Services Commission; to establish a Financial Services Ombudsman; to make provision in respect of a deposit guarantee scheme, an investor compensation scheme and recovery and resolution arrangements and their financing; to provide for the regulation of the listing of securities, prospectuses and takeovers; to make provision in respect of market abuse; to provide for the control of insurance business transfers; to make provision in respect of occupational and personal pension schemes; to provide for the regulation of auditors and insolvency practitioners, and for connected purposes.

170 The Hon. the Minister for Commerce.

175 **Minister for Commerce (Hon. A J Isola):** Mr Speaker, I have the honour to move that a Bill for an Act to provide for the regulation of financial services and markets and fiduciary services; to make provision in respect of the Gibraltar Financial Services Commission; to establish a Financial Services Ombudsman; to make provision in respect of a deposit guarantee scheme, an investor compensation scheme and recovery and resolution arrangements and their financing; to provide for the regulation of the listing of securities, prospectuses and takeovers; to make provision in respect of market abuse; to provide for the control of insurance business transfers; to make

provision in respect of occupational and personal pension schemes; to provide for the regulation of auditors and insolvency practitioners, and for connected purposes be read a first time.

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Mr Speaker: I now put the question, which is that a Bill for an Act to provide for the regulation of financial services and markets and fiduciary services; to make provision in respect of the Gibraltar Financial Services Commission; to establish a Financial Services Ombudsman; to make provision in respect of a deposit guarantee scheme, an investor compensation scheme and recovery and resolution arrangements and their financing; to provide for the regulation of the listing of securities, prospectuses and takeovers; to make provision in respect of market abuse; to provide for the control of insurance business transfers; to make provision in respect of occupational and personal pension schemes; to provide for the regulation of auditors and insolvency practitioners, and for connected purposes be read a first time.

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

Clerk: The Financial Services Act 2019.

Financial Services Bill 2019 – Second Reading approved

Minister for Commerce (Hon. A J Isola): Mr Speaker, I have the honour to move that the Bill now be read a second time.

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Mr Speaker, our legislation governing the conduct of financial services has developed on a piecemeal basis over time in response to market activity and, in particular, continuous European Union legislation. This has resulted in a significant increase in the amount of primary and secondary legislation to the point where there are various statutory instruments applying to each sector. This has also resulted in, at times, a lack of cohesion between the different pieces of legislation.

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Mr Speaker, the Bill is a key part of the Legislative Reform Programme (LRP), a project launched in 2015 by myself on behalf of Her Majesty's Government and Samantha Barrass, the CEO of the Gibraltar Financial Services Commission (GFSC). This is the single largest review and reform of our financial services laws. The work consolidates and rationalises over 90 financial services legislative instruments into one Act and supporting sector-specific regulations. As well as establishing the new framework, the LRP has concurrently implemented all EU transpositions and local initiatives during the lifetime of the programme – around 30 significant pieces of financial services legislation. These have all now been lifted into the new structure.

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The aims of the LRP are to update, rationalise and improve the current legislation to make it more navigable for both the regulator and the industry and to address inconsistencies between these sectors. It is worth noting that the LRP and the changes it will introduce account for the continuation of the current market access to the United Kingdom beyond 2020, and the Bill intends to ensure regulatory alignment in terms of outcomes with the United Kingdom. As hon. Members will know, our legislation will be aligned but not the same as that of the UK. This alignment of regulatory outcomes is what HMGoG and Her Majesty's Government in the UK have agreed for our continued access to the UK financial services market.

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The Bill provides a clear, more navigable and accessible legislative framework for financial services that will facilitate innovation for both the regulator and the private sector. A key part of this Bill is the introduction of the Decision-Making Committee (DMC), which is a committee independent of the executive of the GFSC and its board and will be the key decision maker in all contested decisions. This innovation has been most welcomed by the private sector as a real check and balance on the powers of the executive of the GFSC. There are other significant new checks and balances in the Bill.

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Mr Speaker, we have worked closely with the LRP team and the GFSC, who have been responsible for the development and drafting of the Bill. I must thank Julian Sacarello and Ernest Lima, who are with us today, who have worked very closely with Jimmy Tipping and I in working through every detail of this Bill. Their work has been exemplary and their commitment relentless. We have met almost every Tuesday over the past three years to work our way through this Bill in every detail. I am most grateful also to them as well as to Peter Taylor, Samai Hurtado and Tara Wood from the GFSC, and Jonathan Bracken the lead drafter.

I must also acknowledge and express my most sincere thanks to an exceptionally distinguished former Member of this House who has advised and supported our work on this Bill. The Hon. Sir Peter Caruana QC has meticulously scrutinised this Bill and provided us with his excellent advice on all aspects of the Bill and I am most grateful to him for this.

Mr Speaker, over the last two years we have also consulted extensively with the Gibraltar Finance Centre Council and the different industry associations on the major areas of change as well as on individual parts of the Bill. I am very grateful for the major contribution that the Finance Centre Council and the private sector have made towards this. Significant policy changes have been made as a result of this extensive engagement, including some changes – made since the Bill was published at the end of May – in the letter of amendment which is before the hon. Members today.

The consultation process started in July 2017 when we consulted on the proposal to establish a specialist financial services tribunal. On the back of the feedback received we changed approach and instead opted to maintain the current appeal route to the Supreme Court and instead set up an independent Decision-Making Committee. This is responsible for taking certain regulatory decisions and we also further consulted on this specifically in June of 2018. Mr Speaker, in January of 2018 we consulted on Part 12 of the Bill, which covers the duties of auditors and actuaries of authorised persons. In March 2018 we consulted on the Regulated Individuals Regime which Part 8 establishes. We received a significant amount of valuable feedback from the different industry associations and made substantial changes as a result. In August, we provided a separate consultation to each industry association and each response paper contained responses to every point that was raised by them. The revised post-consultation version of Part 8 was then circulated in October 2018. In June 2018 we consulted on the new GFSC Decision-Making Committee and in August we consulted on Part 11, which sets out the GFSC's cross-sectoral sanctioning powers and related processes. Again, we received a significant amount of feedback from the industry associations and made substantial changes as a result.

Other parts of the Bill were shared with the Finance Centre Council at different times in the last year. The Finance Centre Council set up LRP sub-committees of industry members to review the different parts based on their experience and background. The drafts of Part 2, which is the regulated and prohibited activities, and Part 6 and the Regulated Activities Regulations, were sent to the Finance Centre Council in October of 2018. A full draft of the new Act with 17 of the integrated parts of the Bill was sent to the Finance Centre Council in December 2018. Many of these lifted the content of current financial services legislation. A draft of Part 28 was sent to the FCC in January. At the start of February the draft of Part 7 was also sent to the Finance Centre Council and in early May of this year we sent Part 3 and Part 10, which deal with the GFSC, its composition and investigatory powers, to the Finance Centre Council. On 24th May we shared the complete Bill with the Council, which was published at the end of May.

Mr Speaker, since the Bill was published at the end of May discussions with the Finance Centre Council have continued and have led to some further changes, which are presented in the letter of amendment to the Bill before Parliament today. These include the introduction of a regulation-making power for the Minister to establish a procedure for complaints to be made concerning the GFSC's exercise of its functions. Complaints will be made to both the GFSC and the Minister, or an independent person or body appointed for that purpose.

275 Another change made as a result of the recent discussions with the Finance Centre Council is the introduction of a restriction on the GFSC's ability to publish statements at all stages of the regulatory process. Government intends to further engage with the Council and private sector firms on the Bill before its implementation as and when may be required and we are open to comments from all.

280 As part of this informing process, two weeks ago the Financial Services Commission hosted six workshops to members of the different industry associations to familiarise the sector with the Bill and its key component parts. These were informative and well received and the team has also engaged with the Hon. Mr Daniel Feetham to walk him through the Bill, offering insight into our thinking wherever requested.

285 Mr Speaker, we expect the Bill to come into force at the beginning of October, ensuring that the private sector have sufficient time to familiarise themselves with its content prior to its implementation.

I must thank and acknowledge the significant support we have received from the Finance Centre Council and the individual associations in the sector. This has really been a team effort –
290 Government, the GFSC and the private sector working together to deliver the very best regulatory framework possible for our jurisdiction, and I am grateful to them all.

Mr Speaker, I will read from an email I received from the Chair of the Gibraltar Finance Centre Council, Mr Marc Ellul, on 29th May with their first comments on the Bill. I quote:

On behalf of the GFSC I would first of all like to thank you for the work done on the LRP. We acknowledge the significant time and effort which has gone into this and that you have been working towards Gibraltar having modern and effective financial services legislation fit for the 21st century. The DMC is particularly welcome, which introduces crucial checks and balances to the substantial powers of the GFSC. I think you share my view that if we get the DMC right, the increased sanctioning and regulatory powers in the Bill will be balanced out by a decision-making body with independent members and will therefore be more readily acceptable by industry.

Mr Speaker, Mr Nicolas Cruz, the outgoing Chair of ATCOM, reported in his annual report on
295 3rd July as follows when commenting on the LRP. I quote:

There are more checks and balances on the GFSC than ever before. Powers to apply sanctions are constrained by a level of independence from a new DMC, ability to publish are much constrained. Powers on the relevant Minister to exert control over the executive of the GFSC when required are enhanced including power to remove its CEO in certain circumstances. The legislation is not perfect nor near to perfect and there remain areas of some disagreement between the Industry and HMGOG but it is a very important progressive step in most areas (not all) that will introduce simplicity in navigation of consolidated legislation ...

Those endorsements, for which I am most grateful, need to be put into the context that we are dealing with over 650 pages of draft legislation and that we have agreed totally on the fundamentals, if not on all the detail.

Mr Speaker, the most significant changes introduced by the Bill are Parts 2, 6 and 7, which
300 provide for an umbrella legislative framework and a single authorisation process for all sectors. As Members will know, the previous legislation has different streams for each of the different sectors involved. These set out what constitutes regulated and prohibited activities; it introduces the legal concept of the general prohibition, meaning that no person can carry out these activities unless authorised or exempt. A contravention of the prohibition is a criminal offence.
305 Part 7 contains a harmonised approach to authorisation and obtaining permission to carry on regulated activities within the same threshold conditions applying to all firms. These conditions are set out in Schedule 17. Part 7 also contains cross-sectoral supervisory powers and the related processes.

A new Regulated Individuals Regime for the senior individuals, which is established by Part 8
310 of the Bill (RI Regime) and which aims to ensure that individuals who perform important regulated functions are fit and proper to undertake these roles, requires these individuals to seek approval from the FSC prior to taking up the position. The RI Regime essentially rationalises

and formalises the current system, which contains inconsistencies across the sectors in terms of the individuals that will need to be identified or approved by the GFSC. The criteria for approval and the approval process will be the same as what currently happens in practice when the FSC considers the fitness and propriety of these individuals. We are essentially introducing a standard regime applicable to all sectors. We are introducing appropriate transitional arrangements to ensure a smooth transition into the new regime after the legislation comes into effect. All individuals who have been approved in some way by the GFSC will be transitioned into the new regime and will not need to apply for approval under the new legislation.

A new Decision-Making Committee, as I mentioned before, is being established by Part 3. The DMC will be independent from both the executive and the board of the GFSC and will therefore provide an enhanced level of independence to the final stage of decision making in respect of the decisions that it will be assigned.

The DMC will take specified regulatory decisions, including all final decision notices that impose a sanctioning or supervisory power, unless the relevant party agrees in writing to the content of the GFSC's warning notice; all urgent and direct decision notices imposing a sanctioning or supervisory power that take effect immediately; all decisions on the publication of sanctions; decision notices to reject a firm's application for authorisation or a regulated individual's application for approval; and decisions to require an inspection cost contribution order.

The DMC will have six members and the appointments will be made by the Minister. All members must be ordinarily resident in, or carrying out work in or from Gibraltar. There will be three lawyers of 10 years' experience and three members with significant financial services experience. The Minister will have flexibility to appoint external members to consider particular cases or particular aspects of a case if all the fixed members are unavailable – due to, for example, a conflict of interest. One of the legal members will be appointed as Chair of the DMC and decisions must be taken by a panel of three members. In the event of the Chair being absent, the Chair must appoint one of the legal members to replace the Chair and, in urgent cases, the Chair can make a decision alone.

Mr Speaker, cross-sectoral investigatory powers are set out in Part 10 of the Bill and this Part is based on the relevant content from the Financial Services (Information Gathering and Co-operation) Act. Part 10 rationalises the current content, particularly in relation to both the appointment of inspectors and their cost. The starting point is that the GFSC pays for the costs of an inspector. If the GFSC finds a person culpable of a material contravention, based on the report the DMC can issue a costs contribution order on the relevant person equal to all or part of the costs reasonably incurred. Various criteria need to be taken into account by the DMC when it is considering whether to impose such an order, including the proportionality of the GFSC appointing an inspector and the reasonableness of the Financial Services Commission in appointing an external inspector as opposed to an internal staff member. These are all new provisions.

There is an appeal right in respect of the DMC's decision and the court must have regard to the same criteria when considering it. There are also additional requirements for the GFSC if it is considering appointing an external inspector, in terms of the criteria it needs to consider. Appeal rights are no longer applicable in relation to the power to request a firm to commission a skilled person's report or the power to appoint an inspector. This was necessary to align with UK regulatory outcomes – in the UK there are no appeal rights over these actions, as they are regarded as part of the regulatory process. There will be an appeal right for the costs contribution orders for inspections and the right judicial review will apply to the initial decisions outlined above. There is a new requirement on the Commission to publish a skilled persons report policy statement setting out how it will exercise this power.

Part 11 of the Bill sets out cross-sectoral sanctions and related procedures. The Part contains five common sanctioning powers that have been harmonised across the board. They will enable the FSC to respond proportionately to contraventions, depending on their gravity. The GFSC

365 already has these powers in respect of most of the sectors it regulates. In applying them across the board, this Part plugs some gaps in the current framework. These applied powers have also been set out in various recent EU directives.

The funding limits will be set out in the relevant sector-specific regulations. Where a limit is required by directive, that limit will be incorporated. For sectors not subject to a specified limit the LRP has sought to achieve an appropriate degree of harmonisation.

Publication of Appeals and Procedures: this Part has a consistent publication regime applicable to sanctioning decisions. Publication is discretionary and the GFSC is required by the legislation to conduct a proportionality assessment each time it intends to publish details of a sanction it has imposed. If publication is not proportionate and in the circumstances, the FSC will have to either defer, publish anonymously without mentioning the names of the firms, or not publish at all. The publication can only be on the GFSC website and it must be limited to the type and nature of the contravention, the identity of the person involved and the sanction imposed. The DMC will take all of these publication decisions. The Part also contains harmonised provisions on warning and decision notices and appeals.

380 As I mentioned earlier, on the back of recent discussions with Finance Centre Council after the Bill was published, we have inserted a new section in this Part. It prevents the FSC from issuing or publishing a statement which is critical of, or adverse or prejudicial to a person until a decision notice has been issued in respect of the matter and the appeal route in respect of it has been exhausted. There are limited exemptions to this, including where the Minister's consent is obtained to the publication of a statement, or the FSC is warning consumers about a firm or person conducting a regulated activity without an authorisation.

Mr Speaker, the Bill, once approved by this Parliament, will be implemented on a date to be appointed. The Bill presents our sector with a modern, innovative and balanced approach to financial services legislation and regulation. It is fit for purpose for the next generation of business generated by our professionals, and, importantly, recognises and implements the checks and balances required in any modern regulatory regime.

Mr Speaker, it gives me enormous pleasure to commend this Bill to the House. *(Banging on desks)*

395 **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. Daniel Feetham.

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

The Opposition will be voting in favour of the Bill. I have no hesitation in saying that this is an excellent piece of legislation and the Government ought to be commended for it, indeed in particular the Minister and also all the officials who have worked very hard to make this possible. In particular, the introduction of the Decision-Making Committee is, in our respectful view, something that is going to help in improving what has been a rather fractured relationship between the FSC and the industry over the last three or four years since they introduced a new enforcement policy in 2013-14. It is, in our view, a most welcome development, but also we have to say that its proposed jurisdiction is something that does not go far enough, and I will speak on that in a few moments.

In my contribution I want to concentrate on appointment of inspectors, appointment of skilled persons and the costs of their report, supervisory action other than a specified regulatory decision, publications – which I think the Hon. Minister in his own contribution dealt with, and I would like him to explain further – and also the issue of immunity.

Appointment of inspectors, supervisory action other than specified regulatory actions, skilled persons and also publications – that is in the context of the Decision-Making Committee and the jurisdiction of the Decision-Making Committee. In our respectful view, the Decision-Making Committee's jurisdiction ought to extend to those areas – and I will explain in a moment what my concerns are – and it does not at the moment. I also think, and I will develop this point in

due course, that in relation to inspectors, this piece of legislation unfortunately is a retrograde step in certain aspects. What it does is it limits access to justice. The Hon. the Minister for Financial Services has justified it by saying that because in the UK there is no right of appeal, there is a need for regulatory equivalence in relation to regulatory outcomes. That, in our respectful view, is misconceived. You do not get equivalence of regulatory outcomes by limiting people's rights of appeal. It does not necessarily follow. We are talking about completely different things when we talk about regulatory equivalence of regulatory outcomes. Indeed, having the courts as the final arbiters to decide whether a decision by the FSC is fair or unfair, is lawful or unlawful – indeed, lawful or unlawful, focus on that – cannot possibly lead to non-equivalence of regulatory outcomes, and it is a way, in my respectful view, of attempting to justify limiting the rights to appeal in a way that does not work.

I have used the word 'retrograde' and I have used strong language in relation to that. I do not want in any way, shape or form, the views that I have expressed and I am about to express to detract from what is an excellent piece of legislation and the excellent work that the Minister and his civil servants have done in relation to this.

I also make this observation, Mr Speaker: that I think this particular piece of legislation also illustrates the weakness in our parliamentary system. It is this: that here we are debating what is effectively the largest piece of legislation ever brought to this Parliament in financial services, post- or pre- but potentially that operates in a pro-Brexit context, hugely important for the jurisdiction, and we are really debating it in an hour or an hour and a half in this Parliament, when I think that this is precisely the type of Bill that would benefit from very careful analysis and consideration by a special purpose select committee. Of course that is not a criticism of the Government or a criticism of anybody. The fact is that because Parliament is constrained by its numbers – and on this side of the House we are all frontbenchers; on that side of the House they are all frontbenchers, they are all Ministers – it is very difficult to have the type of select committee that could be set up in order to properly examine this, composed by backbenchers with the ability to hear from the civil servants, to ask questions, to propose amendments. That is the type of parliamentary engagement that one gets in other jurisdictions across the world in a modern democratic setting, and that is something that I hope will be available to Gibraltar post-enlargement of Parliament if the motion and the Bill to amend the way votes are cast in Gibraltar is taken before the next election.

But I turn to examine the position in relation to the appointment of inspectors. The appointment of inspectors can be extremely intrusive for a licensee. Amongst other things, they have the power to speak to every single employee, have sight of all documentation, review all work practices and demand time from management to do so. Indeed, they have got the power to examine employees of a particular firm on oath. They have also got the right and the power – this is the position now under our legislation, the 2007 Act and it will continue to be the position under this Act – to also examine the lawyers and accountants. There are privilege issues and I know that those are preserved in the Act, but it is the most intrusive power, in my respectful submission, available to the Financial Services Commission. It is also the exercise of the power which has led to most litigation in the courts, because we know from answers to questions that I have posed in this Parliament – and indeed wearing another cap, which is the cap as a litigator myself – that there has been more litigation against the Financial Services Commission in relation to the appointment of inspectors than any other power exercised by them in the last three or four years. Yes, Mr Speaker, that is the position, and I have probably been involved in about 80% of those cases, so I do think that I speak with some knowledge of what the position is.

At the moment, today, there is a right to appeal under the 2013 Act, so if the FSC decides to appoint inspectors there is an immediate right to appeal, exercisable within 28 days, and then there is also a right – it is not automatic, but there is a right – to apply for a stay of the decision. Let me explain to the House why that is important. When the FSC makes a decision to appoint inspectors, which I have said is extremely intrusive, if that is allowed to effectively take its course

pending litigation without a stay, without a freeze of that decision, then by the time that the court determines the issue, possibly in favour of the licensee, the damage done to the firm is done – that is it, the horse has bolted. Therefore, what happens in a lot of these cases, in fact in all the cases that I have certainly seen, is that there is an immediate application to the courts for a stay, a freeze or a temporary stop of the decision appointing the inspectors until the outcome of the appeal. That is effectively the right to appeal and the ability to apply for that freeze has gone under this proposed legislation. Of course it has gone – I believe it has gone because the Government is being advised incorrectly by certain individuals within the FSC. I make no bones about that. I believe that there are individuals within the FSC who see the fact that at the moment there is a right of appeal and that there is a right to have recourse to the courts asking for a stay as an impediment to them exercising their powers. But look, we are all subject to the rule of law and we are all subject to natural justice, and giving people the right to appeal is a plus – and this Parliament should not be effectively removing that right from those licensees.

I would have taken a different view had, for example, the decision of the inspectors been subject to the Decision-Making Committee and reviewable by the Decision-Making Committee. But what is not understandable, and I simply do not understand it, is that you remove the right to appeal, you introduce this wonderful committee, for which I commend the Government for thinking about it and introducing it, which is an independent committee reviewing the decisions of the FSC, but you take a major bone of contention with the industry – the appointment of inspectors – completely out of the remit of the Decision-Making Committee. That cannot, in my respectful view, be right and I would urge the Government to at least either make the appointment subject to the DMC or alternatively reinstate the right of appeal.

Mr Speaker, on Friday of last week I met with the hon. Gentleman's officials, both officials from his Department and also officials from the FSC. I gave them my views. I do not see that in fact some of the proposed amendments that I made to them last Friday have actually been taken on board and therefore I am just going to go through that, so that the House can see what I was proposing. Of course, this leaves aside the issue of the appeal, on which I have already made my views known to the House. But if one looks at the appointment of inspectors under section 137, section 137(1) begins by saying:

The GFSC may appoint a person who it considers to be competent to do so ...

– an inspector –

to investigate, on the GFSC's behalf, the affairs of a person in subsection (2) if–

(a) it has reasonable grounds to suspect that the person has contravened a requirement imposed by or under this Act; or

(b) if it appears to the GFSC that on other grounds there are good reasons for doing so.

So, contravention or other good grounds. That is effectively the section unlocking the jurisdiction for the appointment, and in fact this is a far better section than the section that exists at the moment in the 2007 Act, in respect of which there is confusion as to whether the FSC has to satisfy a number of criteria – I think it is in subsection (3) – or whether it can do so in a standalone subsection (1). So I think this is a better section. However, when one looks at subsection (3) it says:

In deciding whether to appoint an inspector who is not a GFSC employee

– who is *not* a GFSC employee –

the GFSC must have regard to the proportionality of the cost of doing so, having regard to–

(a) the seriousness of the suspected contravention or the matters giving rise to the good reasons for appointing an inspector on other grounds;

And then it goes further.

So, effectively what it is attempting to do is say that the section unlocking jurisdiction, contravention – which is subsection (1), ‘Contravention of a requirement imposed by this Act’ – has to be serious. That is what subsection (3) is saying. The problem is this: that in deciding whether to appoint an inspector who is not a GFSC employee ... In other words, if it is a GFSC employee it appears, as a matter of construction, that you then do not have to go through that second loop, which is a second loop that basically says that you have got to consider proportionality and seriousness of the suspected contravention. I made that point to the GFSC on Friday and it does not appear to have been taken. You can respond, or you can do it now, if you if you so choose.

Hon. A J Isola: It is a simple point, Mr Speaker, and I am grateful for the hon. Member for giving way.

The choice of those words ‘who is not a GFSC employee’ link directly to the cost. In other words, because the cost could be paid by the firm at a later date if there is culpability found in the inspector’s report, in order for the GFSC not to use somebody internally, which is very much cheaper, if they want to go outside the GFSC, where, as the hon. Member knows very well, the costs can become quite serious, there is a further barrier that they need to cross in terms of justifying that that cost is worth taking on board, but only in respect of where they go to an external appointee, not somebody from within. That is limited solely to when they want to go outside, so as soon as they choose to go outside they have a higher barrier to cross in terms of the proportionality of the costs justifying that act. I do not know if that helps.

Hon. D A Feetham: Yes, but you see that is the way that it was explained to me and it does not make sense for this reason, with respect to the Minister – and bear in mind that perhaps it is because I am a litigator that I look at these things almost as ‘could this potentially cause a problem in court later on?’ I cannot divorce myself from my training, and essentially, with respect to the Hon. Minister, that really does not stack up for this reason: to the extent that what he is saying to me effectively is if you go to an external person, because the costs are higher you have got to look at proportionality of costs. I accept that, and if this was limited simply to that I would say I understand it completely. But this is not limited to that. This is that, *and* it then says:

the seriousness of the suspected contravention or the matters giving rise to the good reasons for appointing an inspector on other grounds;

In other words, what it is basically, essentially saying is if you go to an inspector outside, before you appoint you have got to look at the seriousness of the contravention. What I am saying is that if an employee of the GFSC is appointed as inspector, you should also be looking at the seriousness of the contraventions, because of course if you look at subsection (1) all it says is:

the person has contravened a requirement imposed by or under this Act

and you can have a very minor contravention. And by essentially drawing a distinction between seriousness for outside and saying you can only unlock this jurisdiction when it is serious for an outside appointee but not for an employee, you are effectively leaving yourself open to the argument that, if it is a GFSC employee, you do not have to consider whether the contravention is serious. That cannot be right, Mr Speaker, and all I proposed and I think would deal with it is to delete the words ‘who is not a GFSC employee’. That is it; it would deal with the point. But I think it is an important point that potentially could give rise to issues in the future, bearing in mind that when one looks at the 2007 Act the FSC has taken a view in relation to section 8 of the 2007 Act about the appointment of an inspector under subsection (1), unrelated to subsection (3), which has all the different criteria about different contraventions and public

interest. The FSC has said, 'No, I do not have to show that this is on public interest grounds or that consumers in Gibraltar will be prejudiced – I can do it under subsection (1) unlimited and unconstrained by subsection (3).'

So, given the track record of the FSC in arguing those kind of points – I know that he smiles, but it is true! Look, I have to say I take no pleasure in being perceived as the whipping boy here of the FSC. It is not in my role to whip anybody, but it is my role as a parliamentarian to essentially point out when there is potential unfairness and also when the law, in my view, needs improvement.

Then the other point in relation to this part, Mr Speaker, is in relation to appeals. I again raised it and never had a satisfactory answer – perhaps the Hon. Minister can allay any concerns that I have. If one looks at section 145(1)(a)(i) and (ii), and if you look at (i) it says ... I will read it all:

A person aggrieved has a right of appeal under section 615 against any of the following decisions–

(a) a decision by the GFSC–

(i) under section 132(1)(a) or (b) to require a person other than an authorised person to provide specified information or information of a specified description ...

Now, if we look at the definition of what 'an authorised person' means, and if one looks at section 131, it essentially says:

a 'relevant person' means–

(a) an authorised person;

(b) an approved statutory auditor or audit firm;

(c) a former authorised person ...

It says, 'defining a relevant person as an authorised person'. Now, I do not understand why section 132 gives the right to appeal to everybody other than an unauthorised person, taking into account that the definition of relevant person includes an authorised person. I just wonder whether that is a mistake. I asked about that last time round. I think that they were not certain, the officials, when I asked. I do not know whether a decision has been made or whether my concerns ... No doubt my concerns have been communicated to the Minister, but I would like an explanation from the Minister as to essentially what the Government's views are in relation to that.

Mr Speaker, those are the views that I wish to express in relation to inspectors. I also say this in relation to skilled persons: that the appointment of a skilled person can also, in our view, be invasive for a licensee; of course we accept that they are not as invasive as the appointment of an inspector. Similar arguments as to those for the appointment of an inspector apply here. A review by the Decision-Making Committee will provide an effective, inexpensive and quick alternative to court proceedings for the fairness of the proposed appointment to be assessed. The cost of the skilled person's report should also be something the DMC should decide upon. At present, the Bill provides that the licensee should pay for this and there is no discretion for the GFSC to pay. If it turns out that the appointment of a skilled person was not justified and they have already produced a report, it would, in our view, be patently unfair for the licensee to have to pay for this. I accept that there is a distinction in how you appoint a skilled person and an inspector. An inspector is appointed by the GFSC; a skilled person is appointed by the licensee. So there is a contractual relationship between the skilled person, the consultant, and the licensee. But it is something that ought to be decided by the DMC.

Let me give the Hon. the Minister my own experiences in relation to this. What invariably happens is – in a lot of the cases, I should say; I have use the word 'invariably' but I should say in a lot of the cases that I certainly have seen – the FSC appoints an inspector, there is an appeal and there is an application to freeze pending appeal. The court will freeze the decision pending the appeal. There is then a negotiation between the licensee and the FSC, and the FSC says, 'Well, okay, look, we will accept a skilled person.' Because of the reputational concerns for the

licensee – a licensee does not want the appointment of an inspector because that indicates that the licensee has done something quite badly wrong, because that is what we are dealing with when we deal with an appointment of an inspector – the licensee will agree to the appointment of the skilled person, but actually is really reluctant because there are licensees that may have done absolutely nothing wrong even to justify the appointment of a skilled person. So, having the DMC review the decisions of the FSC appointing a skilled person, in our respectful view, is also a positive.

I have made a number of points. There are some inherent criticisms there, of course there are, but it is a positive that the Government can take from the fact that I am suggesting that these decisions come under the purview of the committee that the Government is proposing to create as a consequence of this of Act, and that is a huge plus for the Government and for those that have been the architects of this Bill.

Mr Speaker, I also said that I would talk about, very briefly, supervisory actions other than a specified regulatory decision. There is an asymmetric balance of power between the GFSC and a licensee, where they may feel threatened into taking a course of action they would otherwise not wish to take. It is not uncommon for licensees to receive very lengthy letters from the GFSC setting out deficiencies as perceived by them and suggesting that unless certain actions are taken, licences will be suspended or revoked.

In fact, this is something that the Finance Centre Council set out in their own submissions to the Government, and it cited three examples: the suggestions that regulated individuals, or persons holding notifiable person positions of the licensee should resign; so there is no formal decision but there is a suggestion that a licensee take certain steps to implement particular measures; and the requirement for more regulatory capital to be held. Those are the three examples that the Finance Centre Council basically raised. I do not know whether that has been taken into account. As I say, there is a huge deficiency, in my view, here in relation to the parliamentary procedure, particularly with a complex piece of legislation such as this, because it really is very difficult to see whether the Government has taken on board particular points. As I say, I was consulted and I gave my views on Friday of last week. The Government on the 10th, that is two days ago, has produced a whole host of amendments and if that concern has been taken into account in the amendments or I have not spotted it in the Bill, I apologise to the Minister, but it appeared to me that the submissions that were being made by the Finance Centre Council were meritorious and deserved consideration and inclusion within the Bill.

Mr Speaker, also publications. Sections 616 to 618 of the Bill deal with the publication of sanctioning actions and restrictions thereto. Section 616 refers to the publication of sanctioning actions, and there are some safeguards which can restrict publication, which are set out in section 617. Those are welcome. Crucially, however, the legislation only covers the publication of sanctioning actions but nothing else. No other decision by the GFC to publish anything else in respect of a licensee is reviewable by the DMC.

The Hon. the Minister has said during the course of his intervention that there will be a complaints committee, as I understand it, which will deal with this. That is how I understood it. If there is not, could he please in his response just explain why anything else that is published by the FSC that is not the publication of the sanctioning action is not something that can be reviewed by the DMC. Unless again I have got it wrong and it is somewhere in there, I have not spotted it.

And finally, Mr Speaker, on immunity, the proposed changes to the immunity sections will see powers which escape the defence of immunity significantly reduced. In other words, the immunity will apply to more situations than it does now or even did in 1989. Section 10(2) of the Financial Services Commission Act 2007 has been restricted by the Bill. Section 10(2) of the 2007 Act lists the powers of subsections (a) to (f) to which the defence of immunity simply does not apply, irrespective of whether persons seeking redress against the GFSC can establish bad faith. The 2007 Act expanded on the powers to which the immunity did not apply from its predecessor, the Financial Services Commission Act 1989.

Now, Mr Speaker, I have got to be careful what I say here because there is litigation on this particular point, but we know that there is a high-profile case at the moment that is in the Supreme Court where there was a publication by the FSC and the point there to be decided is: is this publication covered by the immunity in the existing legislation? If it is covered, then of course there is no right to sue anybody within the FSC for making those statements unless you can show that those statements were made in bad faith. That would be the position and that is what the Government is attempting to get to by extending the immunity in this Bill. We think that the Government ought to be cautious. In this day and age, whereby publications really are instantaneous and can reach members of the community, indeed jurisdictions, that perhaps in 1989 – and even in 2007, although by then the internet had already been quite established, but certainly the 1989 Act could not reach. I think that the damage potentially to an individual's reputation today is much more than the damage then, and if Parliament took the decision in 1989 not to have an immunity extend to certain publications I think the Government should not extend it. I think there were good reasons for not doing so then and there are even greater reasons, because of the way communications nowadays can reach more people, why we ought to be extremely cautious in this and not extend the immunity to those areas.

Mr Speaker, again I conclude by saying that I congratulate the Government. I thank the Parliament for its indulgence, listening to the views that we have expressed from this side of the House. Whilst critical, they are intended to be constructive and I congratulate again the Minister for what is an excellent piece of legislation.

Mr Speaker: The Hon. Roy Clinton.

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

I rise to echo the sentiments of my hon. Friend in terms of our support for this legislation and of course recognition that this is not just a weighty tome but a particularly complex piece of legislation covering a variety of areas.

There are just two things that caught my eye in glancing through this legislation and the first is that this now includes provision for a Financial Services Ombudsman, which I think the industry – having been a former member of the banking industry – will certainly welcome and I congratulate the Minister for having introduced it in this Bill. But I could not help but notice that this Bill also includes references to occupational pension institutions and requirements in respect of personal pension schemes. I am fully conscious that we already have the Private Sector Pensions Bill about to reach Committee Stage, but my question to the Minister is: has he considered the interaction between this Bill before us today and the Private Sector Pensions Bill? I do not see any cross-reference between the two. The FSC seems to exercise sole jurisdiction over authorisation, and yet the Private Sector Pensions Bill introduces the concept of the Pensions Commissioner. I am conscious that they maybe cover different areas and you could have a personal pension scheme which is entirely private and not part of an employer's scheme, but then also it is entirely possible to have a personal pension scheme which an employer will encourage employees to enter into and the employer will contribute to without necessarily setting up a formal trust deed or other scheme or rules. And of course there is also an entire section in here on occupational pension institutions, in the Financial Services Bill, and it would be welcome to hear what the Minister's views were as to whether there has been any consideration of interaction between these two different pieces of legislation.

I will give him one example if I may, Mr Speaker. Referring to the Private Sector Pensions Bill 2019, which is before the House, under the definition of 'pension plan' it says:

means either –

(a) an occupational pension organized and administered under the Financial Services (Occupational Pensions Institutions) Act 2006 and any regulations made thereunder to provide pensions for employees;

695 But in this Bill, under Schedule 29, page 895, one of the pieces of the primary legislation that is due to be repealed or revoked in entirety is in fact the Financial Services (Occupational Pension Schemes) Act 2006. And so I would ask the Minister to consider whether either the Private Sector Pensions Bill needs an amendment of some sort in order to reference the correct section of what will be the new Financial Services Act 2019, or whether in fact there is a need for any other cross-reference between the two.

700 I will give another example – and again, Mr Speaker, as my hon. Friend has said, this is a very complex piece of legislation which would have benefited from a select committee to go through it line by line, but for example, in the definitions in the Private Sector Pensions Bill 2019 it talks about a ‘financial institution’ meaning:

any other company which is approved by the Commissioner

– being the Commissioner for Pensions –

for the purposes of this Act;

705 And yet, under the Financial Services Bill, there is a positive prohibition in terms of accepting a member into a personal pension scheme unless the scheme has been approved by the GFSC, and the Private Sector Pensions Bill talks about bodies holding Class VII and Class XVI licences. So there seems to be a slight incoherence or – perhaps an unfair word – they do not seem to be entirely in sync with each other, especially, if I can give one further example, in definitions the Financial Services Bill talks about pension ‘schemes’, personal pension schemes and occupational pension schemes, whereas the Private Sector Pensions Bill talks about pension ‘plans’ but does not talk about schemes. Perhaps there is an opportunity to bring them into sync and also to make a cross reference perhaps in either the Financial Services Bill or the Private Sector Pensions Bill to refer to the Pensions Commissioner and/or the Financial Services Commission in terms of the approval of schemes. There certainly seem to be some benefits in at least linking the two, in that the Pensions Commissioner may approve a scheme but it may not be approved by the FSC, or vice versa. So I think there should be at least be a reference somewhere between the two saying ‘of course, subject to either/or having been prior approved’. I do not think there should be too much of a problem with that. I see the Minister shaking his head but I will leave it to him to give his answer in response.

720 Again, Mr Speaker, I make these comments, as my hon. colleague, has in purely a spirit of constructive observation in that we obviously all have a vested interest to ensure that the best possible legislation enters our statute book.

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

725 **Mr Speaker:** Does any other hon. Member wish to speak on the Second Reading of this Bill? Otherwise, I will call on the mover to reply. The Hon. Albert Isola.

Hon. A J Isola: Mr Speaker, I am grateful.

730 If I may start with the Hon. Roy Clinton’s comments – and I am grateful to both Members for their helpful observations and comments, which I do not take as criticism. This, as you have rightly identified, has been a long trawl and an awful lot of work and I am grateful for your comments in respect of the team that has worked on this with us.

735 In respect of the pensions point, the Private Pensions Bill and the detail in terms of the regulation of pensions are completely different. There may be some pension schemes for small employers which are not caught by any of the legislation; there might be some bigger ones which are. So, the manner in which pension arrangements are entered into is regulated by the Financial Services Commission Act but the requirement to have one is in the Private Pensions Bill and the teams from both the Financial Services Bill drafting and the Private Pensions Bill drafting

740 have engaged, have gone through absolutely everything and agreed that this is the best way forward – so I take that advice.

In respect of the sections being aligned, yes, there will be some consequential amendments made subsequently to realign the cross-referencing of the sections, and I think that will be dealt with without any difficulty at all.

745 The issue of going through this Bill line by line: it is 652 two pages of legislation – if we went through it line by line I suspect the old adage of ‘speed to market’ would be dead and buried. And so I think that although I would welcome and I am happy to have more interaction with the hon. Members opposite as and whenever they want, this is not coming in until October and we do have the ability to make amendments between now and then. If they want to engage with
750 officials, with Julie and Ernest from the Financial Services Commission, myself or any other member of the team, I will of course be very happy to make that available to them to go through it if they want to scrutinise it in more detail – not a problem at all, any observation. As I have said publicly, I do not for a second believe the legislation is perfect. I think we have done a damn good job, but if it can be improved of course we are happy to do that with you.

755 I also welcome his comments in respect of the Financial Services Ombudsman and I am hopeful that we will be able to move swiftly to put that into place shortly.

Mr Speaker, moving on to the Hon. Mr Feetham, again, as I said with respect to Mr Clinton, I am grateful for his comments. I think if I just go through the issues that he raises, he mentioned that the DMC does not go far enough and I think what I have to say to that is it covers absolutely
760 every single supervisory action that it possibly can. In other words, wherever there is a dispute in terms of some action that the regulator takes, other than in respect of skilled persons and inspectors, wherever there is a warning notice, wherever there is an enforcement notice of any nature, any sanction, any publication, it goes to the DMC. So I think we have carved out of the existing powers, which have caused my hon. Friend some difficulty in the past ... have been now
765 captured by the DMC and I am entirely confident that it will work. But if our experience is in the coming months that it needs to be changed in any particular way, of course we will look at that. This is a work in progress. This is our first step towards this sort of decision-making process and there may be changes which we make to improve it if we need to get it improved and I think that is something that will be ongoing with yourselves, with the private sector and with the
770 regulator to ensure we get it to the best place possible. This is new, it is a significant change from how we worked in the past and we will have to work closely together to make sure that we take advantage of the opportunities that it brings us.

The hon. Member said that in respect of inspectors it is a retrograde step. He also mentioned that if a decision to appoint an inspector is lawful or unlawful we lose the right of appeal. Well, I
775 do not agree. I simply do not agree, and this is why I do not agree: if the decision is lawful or unlawful, there is a judicial review process. You can get to court immediately if there is lawful or unlawful activity through ... I know what you are going to say, I can see it and I will deal with it. Although the review process is a review process – it is not an appeal of the decision, I accept that, but it is a review that the right things have been taken into consideration and that fair and
780 due process has been followed. (*Interjection by Hon. D A Feetham*) Yes, please do.

Hon. D A Feetham: I am very grateful to the Hon. Minister

No, judicial review is a much more complicated procedure than an appeal under the 2007 Act or an appeal under this Act, much more complicated. It is much more difficult to get to court. It
785 is much less agile than an appeal under this Act. In circumstances where time is always going to be of the essence, it is also far more expensive. So you are, with respect, reducing somebody’s access to justice if you do not include an appeal mechanism for inspectors. And at the end of the day you have got to ask yourself why do you wish to restrict appeals when it exists under the law now and it is available in practically any other decision post the DMC getting involved because
790 there is a ... Why not here?

Hon. A J Isola: Mr Speaker, I was dealing specifically with the point of lawful or unlawful and what I am saying is that although there is not an appeal, I accept, in terms of access to the court it is there through a judicial review process.

795 Why is there no appeal on the appointment of an inspector? The answer is very simple. We are going to be accessing one market and one market alone post Brexit and that is the United Kingdom, and in respect of the regulatory alignment of outcomes that we have agreed with the United Kingdom government one of the key issues raised by the report was the length of time that it was taking the regulator to take important regulatory action. The hon. Member refers to
800 cases where if they have got it wrong an injustice could be caused – yes, but what happens when they have got it right and they have prevented a huge calamity from happening within our financial services sector? What happens when they need it to prevent a fraud or some particular kind of activity, or remedy a significant breach that has taken place and an appeal prevents that from happening? It is very easy to say when they get it wrong it is unfair. Well, yes, but I do not
805 know how many cases that the Hon. Member has dealt with in terms of challenging the Department’s inspectors have been successful. I honestly do not know.

Hon. D A Feetham: [Inaudible] seven.

810 **Hon. A J Isola:** Okay. So, in terms of regulatory alignment, what is critical is that if we seek to have access into the UK market we should do so on the basis of regulatory alignment, and the appointment of an inspector is not a DMC question because it is not a sanction, it is part of the supervisory investigation process. So, a skilled person is grade 1; an inspector is grade 2, where there is something far more serious that needs to be dealt with, and it is absolutely appropriate
815 for an inspector to be appointed. So, for those reasons, Mr Speaker – and I know these were explained by my colleagues when they met with him last week – we do not accept that it is appropriate, or giving us the regulatory alignment that we agreed on with the United Kingdom government, to have an inspector.

In the past there was a right of appeal, but why was there a right of appeal? I will tell the
820 Hon. Member why there was, and that is because if the 2013 Act gave the FSC the power to appoint an inspector and it forced the person who was being reviewed, the firm, to pay those costs, under the European Convention of Human Rights, where costs and moneys are concerned you have to have a right of appeal. We have removed the right of costs.

825 **Hon. D A Feetham:** Under the existing Financial Services Insurance Act 1989.

Hon. A J Isola: Yes, well, this is the advice that we have received from the greatest
830 Gibraltarian ever, who has advised specifically on this point, as indeed the other points that you have raised, and has given us that advice. So, the advice I have had from my officials, and indeed from him, is that if costs are involved it is contrary to the European Convention of Human Rights if you do not have an appeal process. *(Interjection)* Just let me finish. So the costs bit has now been removed, the FSC pays the costs in the first instance, and only if there is culpability will the firm have to contribute to the costs; and if the firm is made liable to costs that can be appealed. So, all the safeguards that are required to be put into the legislation in respect of how this works
835 are there, and that is why when we have explained this to the Finance Centre Council they have come back and they have said ‘we accept it’. So, the issues that you have raised we have discussed *ad nauseam* with the Finance Centre Council, they have made representations and they have been agreed and accepted by them.

The Hon. Member wants me to give way.
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Hon. D A Feetham: Mr Speaker, thank you very much, and it is my last intervention but I think it is important.

Mr Speaker: Go ahead.

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Hon. D A Feetham: This is extremely important, Mr Speaker. With respect to the Hon. Minister and the greatest Gibraltarian of our time, that does not follow for this reason. The 2013 Act, in which essentially section 8 introduces the power to appoint inspectors with the cost being payable by the licensee ... Section 8 is a word for word, almost verbatim – there are some distinctions but it is almost verbatim – of the power that exists in the Financial Services Insurance Act 1989, I think it is. *There* it is the FSC that pays for the costs, it is not the licensee; and *there* is a right of appeal, and *there* Parliament took the decision to allow a right of appeal despite the fact that the costs were payable by the FSC and not by the licensee. So that cannot follow, in my respectful submission.

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But anyway, I apologise for the interruption and I am grateful to the Hon. Minister.

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Hon. A J Isola: Mr Speaker, our considered view is that it is appropriate and right that there is not a right of appeal to the appointment of an inspector. It is part of the information-gathering process and in fact the 2013 Act that you have just referred to is called the Information Gathering Act and we believe that that power to gain that information in those special circumstances detailed in the Act are appropriate for the FSC to have. It is not right to say that we have been advised by the FSC wrongly in removing the right of appeal. We are doing this with our eyes wide open, having engaged fully in some detailed discussions on this and we understand the consequences exactly of what we are doing. But, for the reasons that I have given, it is absolutely necessary.

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In respect of the inspector's costs, section 137(3), as I explained ... He says it does not stack up. He is a litigation lawyer, I fully understand that, but we have been advised by litigation lawyers too – and I do not want to mention the name again – and the view is that we want to ensure (*Interjections*) that if the FSC choose to appoint an external inspector, there has to be a higher bar in terms of the proportionality of the cost. And it is linked to the cost, not the seriousness. The grounds for the appointment of an inspector are aligned with the UK, which is the first two paragraphs of section 137(1) the Hon. Member referred to. The bit in section 137(3) deals exclusively with the costs being proportionate whenever they leave the GFSC staff and appoint an external inspector.

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I do not agree that the skilled person should also be appointed, for the reasons that I have given in respect of the inspector.

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In respect of supervisory powers, they *are* all caught. Any supervisory power in this Bill is caught by the DMC, and if there is one that we have left out it will be caught because that is a commitment and that is the position that we sought to capture in the Bill, and that is the intention of Government and indeed I suspect of this Parliament. So, if there are any that have been left out – and we have gone through it line by line to make sure that there are not, but if there are – we will capture them because that is the intention.

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In respect of his comments on publications, if he looks at the letter of amendment he will see a section towards the end, 'Publication of statements', section 617(a)(1). Everything that he has said is covered there. This is what I mentioned in my address at the opening, that we had engaged with the Finance Centre Council, they had raised this point, we had agreed with the point and we have made the change.

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The other point was the complaints procedure, which is where I think the confusion came when the hon. Member addressed that point. So that has been dealt with and indeed is in the letter of amendment that hon. Members have before them.

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Mr Speaker, immunity: I think that having dealt with the issue of publications in the way that I have just described, it no longer becomes relevant. Why? Because publications that the FSC are entitled to make in respect of anything – not just investigations or anything else, but *any* publication – are limited and prescribed by the Bill in terms of what they can do. I also have to say that the Finance Centre Council went a bit further and said there should be no immunity at

all. Clearly you do not agree, and I am grateful that you do not. It is not possible. Every single regulator anywhere in the world has necessary immunity, as we do in the absence of bad faith – it has not been covered, but everything else has to be covered. We would simply not be able to recruit competent people with that immunity not being in place, and certainly not on to the board of the Financial Services Commission. So I believe that part is right and deals with those issues.

Mr Speaker, I think I have covered all the points that the Hon. Member has raised. I am grateful to them for their supporting the Bill and for their helpful comments.

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

Mr Speaker: I now put the question which is that a Bill for an Act to provide for the regulation of financial services and markets and fiduciary services; to make provision in respect of the Gibraltar Financial Services Commission; to establish a Financial Services Ombudsman; to make provision in respect of a deposit guarantee scheme, an investor compensation scheme and recovery and resolution arrangements and their financing; to provide for the regulation of the listing of securities, prospectuses and takeovers; to make provision in respect of market abuse; to provide for the control of insurance business transfers; to make provision in respect of occupational and personal pension schemes; to provide for the regulation of auditors and insolvency practitioners, and for connected purposes, be read a second time.

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

Clerk: The Financial Services Act 2019.

**Financial Services Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

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 this Bill be taken today? (**Members:** Aye.)

**Stamp Duties (Amendment) Bill 2019 –
First Reading approved**

Clerk: A Bill for an Act to amend the Stamp Duties Act 2005.
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 amend the Stamp Duties Act 2005 be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Stamp Duties Act 2005 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Stamp Duties (Amendment) Act 2019.

**Stamp Duties (Amendment) Bill 2019 –
Second Reading approved**

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, I beg to move that a Bill for an Act to amend the Stamp Duties Act 2005 be read a second time.

935 The purpose of this Bill is to enshrine in law Budget measures from 2014 and 2015, which to date have been implemented administratively, and Budget measures from 2018. In summary, the measures are as follows. In 2014 the Chief Minister announced that, in order to support the purchase of family homes, no Stamp Duty would be payable by first- and second-time buyers on the first £250,000 irrespective of the total cost of their new home.

940 In 2015 the Chief Minister declared that, to further assist working families with the purchase of their homes and those who may need to move to alternative accommodation as their family composition changed, he would increase the threshold set down in the 2014 Budget measure from £250,000 to £260,000.

945 In relation to the Special Stamp Duties, in 2018 the Chief Minister declared that the sale of any property sold as an affordable home for and on behalf of the Government in the preceding four years – that is to say properties at Beach View Terraces and Mons Calpe Mews – would attract a new Special Stamp Duty of 7.5% of the total sale price. Clause 3(3) gives effect to this measure. The Special Stamp Duty will be payable by the seller over and above any relevant Stamp Duty on the sale that may be paid by the buyer. The Special Stamp Duty will not apply to the sale of any part of the Government's equity in the property. Moreover, an exception to the duty applies where the Land Management Committee directs that this duty is not payable due to a forced sale, including the cases of marriage or relationship breakdown, or where a family moves to a larger property as a meritorious upgrade to another, newer affordable housing estate.

955 Mr Speaker, these conditions were introduced in order to put an end to speculation for investment and excess profits on the sale of the new affordable housing estates described in the legislation.

I commend this Bill to the House. *(Banging on desks)*

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

I now put the question, which is that a Bill for an Act to amend the Stamp Duties Act 2005 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

965 **Clerk:** The Stamp Duties Amendment Act 2019.

**Stamp Duties (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for Housing and Equality (Hon. Miss S J Sacramento): 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.

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

**Climate Change Bill 2019 –
First Reading approved**

Clerk: A Bill for an Act to set a target for the year 2050, and interim target for the year 2030, and to provide for progress targets for the reduction of greenhouse gas emissions; to establish a Committee on Climate Change; to confer power on Ministers to impose climate change duties on public bodies; to make further provision about mitigation of and adaptation to climate change; to make provision about energy efficiency; to make provision about the reduction and recycling of waste; to make other provision about climate change; and for connected purposes.

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, you will be in receipt of a letter of 4th July which introduces some amendments. I have the honour, therefore, to move that a Bill for an Act to set a target for the year 2050, as amended to 2045, and interim target for the year 2030, and to provide for progress targets for the reduction of greenhouse gas emissions; to establish a Committee on Climate Change; to confer power on Ministers to impose climate change duties on public bodies; to make further provision about mitigation of and adaptation to climate change; to make provision about energy efficiency; to make provision about the reduction and recycling of waste; to make other provision about climate change; and for connected purposes, be read a first time.

Mr Speaker: I must point out to the Hon. the Minister that the Bill gives the date of 2050 as published and therefore that is the correct title of the Bill as at the moment. You will be amending it in due course. The Act will say 2045, but not the Bill.

I now put the question which is that a Bill for an Act to set a target for the year 2050, and interim target for the year 2030, and to provide for progress targets for the reduction of greenhouse gas emissions; to establish a Committee on Climate Change; to confer power on Ministers to impose climate change duties on public bodies; to make further provision about mitigation of and adaptation to climate change; to make provision about energy efficiency; to make provision about the reduction and recycling of waste; to make other provision about climate change; and for connected purposes, be read a second time.

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

Clerk: The Climate Change Act 2019.

**Climate Change Bill 2019 –
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.

It is widely accepted that urgent action is required to address the causes and consequences of climate change. Numerous studies and reports set out the economic case for action on climate change and conclude that the costs of inaction will be far higher than tackling climate change now.

The concern of our population, and in particular of our youth, about the consequences of climate change has been made evident – very evident indeed – in recent months. Globally there is increasing and acute awareness of the devastating natural, geographical, social and political effects that climate change will inevitably have on current and future generations unless immediate action is taken to address it.

On 3rd May this year this House unanimously passed a motion declaring a climate emergency. The climate emergency motion sets out ambitious targets, even more ambitious than those set out in this Climate Change Bill that provides a legal framework and a binding obligation to this and future Governments to deal urgently with climate change and to put into action the pledges made by us all.

Mr Speaker, the Bill sets up a framework for Gibraltar to achieve its long-term goals for reducing greenhouse gas emissions and to ensure steps are taken towards adapting to the impact of climate change. The Bill establishes an economically credible emissions reduction pathway to 2045, as amended, and beyond by putting into statute short-, medium- and long-term targets. It introduces a system of periodic progress targets, which constrains the amount of emissions in a given time period. These periods will last four years, beginning with the period 2020 to 2024, and save for the first period, which will be set imminently, must be set four years ahead.

The Bill provides for a system of reporting by the Minister on Gibraltar's progress towards a greenhouse gas emissions reduction target. It creates a new independent body – the Climate Change Committee – to advise the Government on how to reduce emissions over time and across the economy and on any other matter relating to climate change, including adaptation to climate change. This expert body will advise on setting targets, measures required to achieve them and progress made, as well as reporting on progress.

The Bill includes powers to enable the introduction of new trading schemes to reduce emissions through secondary legislation. This increases the policy options which the Government could use to meet the medium- and long-term targets in the Bill. The Bill will be used to support emissions reductions through several specific policy measures – amendments to improve renewable transport fuel options, or a power to establish incentive schemes to encourage household waste minimisation and recycling are but two examples.

Part 1 deals with the overriding objective of the Bill which is to 'protect the climate for the present and future generations, and to assist in the taking of preventative and remedial measures against climate change'. Specific duties are imposed on Government to ensure that any policy, programme or project is designed in a way that at least evaluates and takes into consideration mitigation of and adaptation to climate change. In fulfilling its obligations under the Bill, the Government is to follow a list of statutory principles which include taking into account climate considerations, the geophysical, social and economic circumstances of Gibraltar and its international commitments. This part of the Bill also establishes the Climate Change Committee.

Part 2 of the Bill establishes an overarching plan known as the National Low Carbon Transition and Mitigation Plan, abbreviated to the National Mitigation Plan. The first of these plans is drafted by the Minister within 18 months of commencement of the Act and a new plan is drafted at least every four years. The plan sets out the measures to be taken in order to achieve the targets set by the Bill.

Part 3 of the Bill creates a statutory framework for greenhouse gas emissions reduction in Gibraltar by setting a 42% reduction target for 2030, known as the interim target; and, as amended, a 100% reduction target by 2045. Consequential amendments to timelines and dates will also be made. To help ensure the delivery of these targets, the Bill requires that the Minister set progress targets every four years from 2020 to 2045.

Subsection (1) defines the obligation on the Minister as reducing the net emissions account by at least 100% by 2045 relative to the defined baseline year. The net emissions account as defined in section 7 and the baseline year set in section 25 which, for most greenhouse gases, is 1990. For any one year the net emissions account will consist of the total of Gibraltar's emissions reduced by the amount of Gibraltar removals and adjusted to reflect carbon units credited and debited to the accounts.

Section 9 sets out the 42% interim target for 2030. Subsection (1) defines the obligation on the Minister as reducing the net emissions by at least 42% by 2030.

Subsection (3) enables a modification of this figure and to replace it with a figure provided by the committee as the highest achievable interim target.

Subsection (4) places a duty on the Minister to request advice from the Climate Change Committee as soon as is reasonably practicable after commencement of the Bill.

1070 Subsection (1) of section 10 requires the Minister to set targets for the maximum amount of the net emissions account for each four-year period between 2020 and 2045.

Subsection (2) sets out criteria that the progress targets must meet.

Section 11 contains a number of conditions which must be met when the progress targets are set.

1075 Section 13 provides a power to set, by order, restrictions on the amount of carbon units credited to the net emissions account.

Part 4 of the Bill sets out the functions of the Climate Change Committee, which are largely of an advisory nature but also include reporting duties to ensure accountability.

1080 Section 14 obliges the Committee to respond to a request by the Minister for advice on proposed progress targets and proposed modifications related to these targets.

Section 17 requires the Committee to prepare a report of every four-year period setting out its views on the progress made towards the targets, the interim target and the 2014 target. It must also provide views on whether these targets are likely to be achieved and views on any further action considered necessary. Specific deadlines for laying the report before Parliament are provided.

1085 Section 19 obliges the Government to respond to a report provided by the Committee.

Section 20 obliges the Committee to respond to requests for advice, analysis, information and assistance by the Government in connection with functions under the Bill.

1090 Section 24 defines the term 'greenhouse gas'. The Minister is given a power to amend the definition of greenhouse gas, adding or modifying the description of a gas, but only if an international agreement has been reached which recognises that the gas contributes to climate change.

1095 Section 26 is the power to enact regulations to make provision about which greenhouse gas emissions derive from international activities. This Part also provides for the measurement of emissions to be calculated in tonnes of carbon dioxide equivalent. The term 'international carbon reporting practice' is defined in section 28 as 'accepted practice under the United Nations Framework Convention on Climate Change, the Global Covenant of Mayors for Climate and Energy, or other international agreements which may be specified in regulation.

1100 Section 29 allows the Minister to determine what carbon units should be added to and subtracted from the net emissions account and how carbon accounting will work. Regulations may set out schemes for registering or trading carbon units, offsets and other units which can be used for carbon accounting purposes.

1105 The Bill requires that the Minister report regularly to Parliament on Gibraltar's emissions and on the progress being made towards the emissions reduction targets. Part 6 provides for separate reports to be laid in respect of the progress target, the interim target and the 2045 target. The Bill specifies the information that the reports must contain. This includes whether the targets have been met, and if they have not the report must explain why. The accountability and transparency which is crucial to the enforcement of the duties under the Bill are provided through these reporting obligations.

1110 Part 7 places specific climate change duties on public bodies. Guidance may be given to relevant public bodies in relation to climate change duties and those bodies must have regard to such guidance. A Minister may, by regulation, require relevant public bodies to report on how they are complying with climate change duties. Section 40 enables a monitoring body set under section 39 to carry out investigations into how relevant public bodies are complying with their duties.

1115

Mr Speaker, section 45 requires the Minister, within 12 months of the section coming into force, to publish a plan for promoting energy efficiency and improving the energy efficiency of living accommodation in Gibraltar. 'Energy efficiency' is defined in subsection (10).

1120 Section 48 provides for the Minister to establish, with the Minister with responsibility for finance, a Climate Action Fund which may raise funds from a variety of sources

Section 49 enables the Minister to make detailed provision by regulation requiring persons specified to make waste prevention and management plans and to comply with them. Provision may also be made by regulation requiring the provision of information by persons specified in those regulations about waste associated with their activities.

1125 Section 51 enables the Minister to make regulations requiring persons specified therein to provide facilities for the deposit of waste and requiring that waste deposited in such facilities be collected by an authorised person and, as far as practicable, recycled.

1130 Section 52 provides a similar regulation-making power, save that these regulations would empower public authorities to require organisers of temporary public events to provide facilities for the deposition and, as far as practical, recycling of waste.

Section 53 provides for persons specified in those regulations to ensure that specified things procured or constructed by them include or contain a certain amount or proportion of recycle. Regulations may also be enacted to set up deposit and return schemes for packaging associated with specified products.

1135 Section 59 provides for regulations requiring persons supplying carrier bags to take goods away to charge for those bags and requiring that the net proceeds of such charges be applied to environmental causes.

1140 The maximum penalties for offences created by regulations under any sections in this part of the Bill are set out in section 62, being the statutory maximum fine for summary cases and an unlimited fine for matters prosecuted on indictment.

Section 63 provides a power for the Minister, together with the Minister with responsibility for Transport, to provide for the reduction of emissions from transport. These regulations may make provisions for a number of areas in which emissions reductions from transport can be made.

1145 In summary, Mr Speaker, this Bill provides, for the first time in Gibraltar, firm, legally binding targets, a road map and the ability to regulate a range of activities to the benefit of the community and of the planet.

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

1150 **Two Members:** Hear, hear.

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. Trevor Hammond.

1155 **Hon. T N Hammond:** Mr Speaker, I thank the Minister for presenting the Bill and I can tell him that the Opposition will be supporting the Bill.

1160 I do have one or two questions on the Bill, questions for clarification primarily on the issue of the Committee. I think the Bill sets out targets which are very important and sets out challenges for future Governments which are very important to have in order to meet those very difficult targets that we have to reach between now and, as amended, 2045. We all recognise the importance of those targets, however, in terms of both the local environment and the global environment and the potential consequences of globally not meeting those targets.

1165 But I would like to ask the Minister some questions about the establishment of the committee. I do know that in the UK there is already a model for such a committee and indeed a climate change committee does exist, but the legislation as proposed here is different from the legislation as enacted in the UK and I wondered if the Minister actually looked at that legislation,

and if so, why he perhaps decided not to follow that UK model. I say this because in the UK it would appear that the climate change committee is a body corporates along the lines of perhaps the Heritage Trust here in Gibraltar, and in being a body corporate of course it automatically achieves a degree of independence from Government, which is something that strikes me as something that would be positive in the case of a climate change committee because hopefully its terms of reference will allow it to drive the agenda very much on the climate, rather than have potentially the agenda driven by any particular Minister who happens to be in office at a particular time. I say this because of course the legislation as set out in the Bill does give the Minister a great deal of authority to regulate the Climate Change Committee. It allows the Minister to establish the status, constitution, membership, remuneration, proceedings of the committee, the execution of documents by the committee, the creation of subcommittees; pretty much every activity that the committee might undertake can be regulated, or presumably would be regulated, by the Minister and that does not feel quite right to me. I think it would be appropriate for such a committee to have greater autonomy from Government to be able, to some extent, to pressurise Government. Perhaps not every Minister of the Environment in the future will be as keen to meet targets as the current Minister no doubt is. But the point is having an autonomous committee with its own constitution would separate those powers somewhat and I think give that committee more teeth with respect to its activities.

I just wondered if the Minister has given that consideration and what his thoughts are around that. Other than that, no significant points to raise with respect to the rest of the Bill, and regardless of the Minister's response we will most certainly be supporting this Bill.

Mr Speaker: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, I would like to congratulate the Government for tabling this Bill for climate change.

Climate change represents an existential threat that, if left unchecked, will alter our existence as we know it. As the House will know, the protection of our environment is a core pillar of my politics and that of my party, Together Gibraltar. Scientists have overwhelmingly recorded their alarm at the ever-accelerating impact our consumerist lifestyles are having on the planet. As we know, the rapidly rising temperatures brought about as a direct result of disproportionate levels of greenhouse gases produced will lead to rising sea levels, species extinction, mass migration, water shortages, wars – and the list goes on. Bluntly put, our planet will become uninhabitable.

It is incumbent on every nation on this planet to take action and reverse this process. This will require an overhaul in the way we presently view things and go about our business as humans. We will need to make fundamental lifestyle and socio-economic changes to live in harmony with our environment.

In terms of general targets, it is a shame, then, that since the Government announced a state of climate emergency back in March 2019 when they committed to carbon neutrality by 2030, this date has been pushed back 20 years more to 2050. Perhaps it is the Government's view that climate action is not that urgent. The United Nations and their panel on climate change, the most knowledgeable and credible organisation on the issue, tells us that we have just over a decade to mitigate the effects of climate change. In the words of General Assembly President Maria Fernanda Espinosa Garcés, 'We are the last generation that can prevent irreparable damages to the planet.' It is the position of the panel that 11 years are all that remain to avert catastrophe.

This is not scaremongering or conspiracy theories. These are scientifically based, measured, institutional positions on what is going on. We must open our eyes. This is the world we live in, whether we like it or not. We have to be brave enough to make this issue a real priority and not caveat it to other agendas such as profit, comfort or votes. We have no more time left for short-termist thinking. Even though it might feel that way sometimes, we are not an entity detached

from this planet. We will suffer the same consequences as everyone else and we share the exact same responsibility.

We must understand, once and for all, all that is the most important challenge facing our community. This Bill is a welcome step in the right direction, but like is often the case when dealing with this kind of legislation, it is too little too late and I believe we can do more. We should take the example of Norway, for example, which in its parliament in 2009 agreed to bring the target forward 20 years to 2030 in response to the Paris Agreement on Climate Action which was reached in December by nearly 200 countries. Norway has now agreed on a 2030 target to cut net greenhouse gas emissions to zero – 20 years earlier than the previous deadline – by paying for emission cuts abroad that correspond to its own emissions to reach the target. This is not ideal, as some of these emissions will continue to happen in the future in exchange for carbon credits, but it shows commitment and ambition. This Bill simply does not show enough of that. I therefore believe that this Bill should set a target to make Gibraltar carbon neutral by 2030, not to have achieved an 80% reduction by 2050.

In terms of progress targets, many believe that every four years is leaving it too long. This should be reviewed yearly, as the threats move fast and we need to respond accordingly. Also, four years is terribly inefficient, as progress will need to be reviewed continuously. Again, how will emissions be counted and calculated? By the amount of fuel bought? These are at best based on estimations from different sectors. We need real data.

In connection with the Climate Action Fund, wouldn't it be better to commit a minimum percentage of our budget to tackling this – have a climate emergency budget, so that whoever is in power needs to adhere to it? The Climate Action Fund sounds a bit hollow and meaningless, Mr Speaker.

The European Commission has recently put forward its future budgetary plans, which include spending a quarter of its entire finances on tackling climate change. Obviously, the Commission is not a state with its burdens and obligations and therefore the percentage sounds disproportionate, but I believe the commitment of a substantial, fixed percentage of our budget in law would create an economic incentive that would help us ensure the application of these policies.

Mr Speaker, in addition, with regard to the charges for the supply of carrier bags, seeing as this is supposed to be a Bill that goes well into the future, should this Bill not commit to banning all single-use plastic carrier bags? This is what is really needed: action *now*.

Nevertheless, this Bill shows some positive steps that Gibraltar will be taking in implementing measures that will have an impact at a local and international level. Indeed, an extremely ambitious objective has been set to make Gibraltar a leading jurisdiction in the mitigation of climate change. Crucially, it brings the environment into the decision-making processes across Government bodies.

Anyone who has watched any of Greta Thunberg's speeches will have heard her say that the time for talk is over and that we need drastic action now. I feel, as many do in Gibraltar, that this Bill does not go far enough to deliver this action.

In terms of the independent auditor commission, there is little accountability applied to the Ministers in the application of the standards set. The main bodies mentioned are the committee, which is purely advisory and is selected by the Minister, and the monitors which are directly appointed by the Minister to check on public bodies. Would it not be wiser to appoint an independent commission or body to provide governance?

In terms of get-out clauses, there are numerous considerations allowed for that provide convenient get-out clauses. The National Mitigation Plan, point 4, prioritises economic imperative and least cost to the national economy – not so great, Mr Speaker.

In terms of moving targets, targets for net emissions fall way below – 9(3)(a) allows a committee the ability to modify the target figures at will; and 11(b) allows the Minister to miss the deadline for submitting progress targets and then to set them as soon as is reasonably practical. A timeframe here would be advisable to ensure it gets the attention it deserves.

Mr Speaker, there is a lot of vagueness. The section on transport, 63(1), uses extremely vague terminology to cover this sector's commitment saying, and I quote:

The Minister may ... make provision for the reduction of Gibraltar emissions from transport.

Or may not. Decidedly non-committal.

1275 Still on the transport section and the charging points for electric vehicles, where will they be located exactly? Roadsides? New residential flats? Fuel stations? How will this infrastructure be built and paid for? And when is this target for? What percentage of vehicles would have access to electronic charging points? And, in terms of the requirement for the Government to replace 25% of its vehicles with electric vehicles, shouldn't there be a commitment to all Government vehicles being electric by 2030 at the most? I also believe that we should implement restrictions on vehicles accessing areas of Gibraltar depending on emission levels of vehicles. However, for that to materialise properly we need live data, which we do not have at the moment.

Further, the following questions arrive from the relevant sections.

3(4)(a) 'periodically'. How often is 'periodically'? How often will monitoring be done? Where will this be published? And how soon can we expect such a measure?

1285 3(4)(b) 'limiting emissions': we currently do not count the carbon footprint per capita of the fuel we sell in bunkering, so how will this be calculated and what is the baseline to measure reductions?

3(4)(d) 'waste management': when can we expect the sewage treatment plant to be started, let alone completed?

1290 3(4)(e) 'sinks and reservoirs': with all the construction, will there be some sort of greenbelt aside from the new woodland area?

(3)(4)(j) 'promote Gibraltar': how exactly? We still burn LNG, and despite promises that renewables will increase, it is still at a paltry 2% output.

1295 (3)(5) and 3(6): I fully agree that 'Government shall ensure that policies, programmes and projects are, to the extent possible, designed in a manner that ensures resilience to the impacts of climate change'. However, given the amount of overdevelopment and how projects have been announced – for example, Victoria Keys being a case in point – before assessing the environmental impact, it sounds a bit hollow.

1300 (3)(8): 'to the extent possible' leaves a huge margin for inaction, potentially socio-economic factors above climate change, which defeats that purpose.

Mr Speaker, in Part 2, how exactly is mitigation going to take place and where is the data going to come from?

1305 On Visibility, section 3(8)(q) ensures that 'adequate information' is made available to the public. Why stop at adequate? Why not inform the public fully? It also allows for public participation in respect of certain plans and programmes relating to the climate system. Will this be applicable for the Victoria Keys project and indeed for the new 2019 Planning Development Plan? Will this development plan reflect the sinks and reservoirs mentioned in the Bill?

1310 In terms of net emissions, the target for net emissions over the period between 2020 and 2024 merely has to be less than the net emissions recorded in the previous four-year period between 2016 and 2020. Given that the LNG power station will be coming online towards the end of 2019 and that there is a 30% reduction in emissions as a result, this target is hardly taxing. It is shockingly unambitious, in fact. It effectively means that we do not need to do anything for four and a half years in this respect.

1315 Mr Speaker, in terms of the Climate Action Fund, the Climate Action Fund appears to be discretionary, showing no link to investment levels or obligatory budgetary inclusion. By contrast, the EU has expressed a wish to dedicate a quarter of its spend towards climate action.

In connection with poor track record, in 2015 Gibraltar, under this Government, applied for an EU grant, coming up with a national renewable energy action plan. This plan committed us to hitting targets for the introduction of renewable energy. The target showed a sliding scale of,

1320 over five years, increasing our renewable energy as a percentage of our total energy production
to 15% by 2020. It included a variety of clean energy sources. To date, this Government has only
1325 been able to very recently introduce one source of renewable energy – solar panels – which
contribute between 1% and 2% of our total energy production, according to the Hon. Minister
for the Environment, way short of its target. Similarly, their manifestos have seen Government
promise the electorate a sewerage plant but not a brick has been laid yet. Even with written
commitments, this Government has failed to come remotely close to meeting their targets.

The simple fact of the matter is that they are merely paying lip service to the growing
pressure from the general public and the recent students' and ESG strikes for climate action.
While well intentioned on the face of it, this Bill is riddled with get-out clauses, adjustable
1330 targets and is self-governed by the Ministers and a committee selected by the same bunch.
There is no governance, no external audit allowed for. Nor does the Bill pave the way for a green
economy, or at least a more environmentally friendly one, when each step of the way is met
with obstacles such as economic get-out clauses and ministerial interference.

Mr Speaker, on the important matter of cross-border collaboration, I believe also – and
1335 something I have not seen anywhere in the Bill – that we should have collaboration with those
entities from across the border who have the genuine best interests of our shared environment
at heart – as long as, of course, they do not have a covert anti-Gibraltarian agenda. The
environment in this Bay is a cross-border issue, whether we like it or not. We need international
collaboration on climate change. This is a problem that we cannot face alone. What good will it
1340 do if we manage to ban all of our emissions while we continue to be sprayed with contaminants
from across the Bay? We need to find a way to work with bona fide agents across the border to
improve the air quality in our region. Cross-border interest groups, for example, particularly
focused on forwarding a green agenda would be a great start and a step in the right direction.

In terms of fossil fuels, in order to move Gibraltar away from our reliance on fossil fuels the
1345 Government needs to show a commitment to: (1) real investment; (2) real changes to our
infrastructure; and (3) real incentives for businesses and individuals. Without this focus, timely
targets, an independent panel, the removal of ambiguity and get-out clauses showing real
commitment, this Bill will fail to deliver the action required.

Despite all my reservations about the Bill I shall be voting in favour of it given that, albeit
1350 dissatisfying, in general a Climate Change Bill is always better than not having one.

Thank you.

Mr Speaker: The Hon. Roy Clinton.

1355 **Hon. R M Clinton:** Mr Speaker, thank you very much.

I rise to address a very narrow point in respect of the Bill and that is in respect of the Climate
Action Fund. Mr Speaker, this fund, according to clause 48(4) will 'have a legal personality
independent and distinct from that of Government and shall be capable of entering into
contracts and of acquiring and transferring property and doing all such things that are necessary
1360 for, or ancillary to its functions'. I would ask the Minister to clarify, and given the comments of
my hon. colleague in respect of the Climate Change Committee that does not have a separate
legal personality, why is it that for the Climate Action Fund he feels that this should have a
separate legal personality but not the Climate Change Committee?

Also, I would ask him if he could explain why, in terms of its creation and the way it holds
1365 money, the Government has not just simply set up a special fund under the normal procedure
for the creation under the Public Finance (Control and Audit) Act, where he could simply set up a
climate change designated special fund? Why has he gone to this degree?

Also, I am concerned that the money in this fund will be only controlled by a board with three
people, two of which are effectively appointed by the Government and, interestingly enough,
1370 under 48(3) the only other member is appointed 'from amongst persons knowledgeable in
climate change matters'. I find it curious that that language does not even appear on his Climate

Change Committee. I just find it hard to reconcile the language in this section with the language in the section on the Climate Change Committee, in which there is not even a reference to people being knowledgeable in climate change matters.

1375 I do not understand, Mr Speaker, and perhaps he can explain, under 48(6), where it says:

The Climate Action Fund ... shall be applied to:

(a) support the fulfilment of the obligations set out in this Act and regulations made hereunder;

Is this actually saying that any moneys channelled into this fund would then be used, for example, to pay the expenses of the Climate Change Committee?

1380 I also note – and I think the hon. Lady has made references to this – that there is a very wide discretion in here as to what the Minister may do by regulations. He can ‘prescribe such functions, activities and initiatives that may be or are to be financed by the fund’. I just find that this again gives the Government wide discretion.

And of course, in terms of 48(8), the delivery of audited balance sheets, I would ask him: by whom? Is this to be a fund that will be covered by the Principal Auditor, or is it his intention that this is to be audited by an independent audit firm? And if so, what type of legal personality does he envisage? Is this to be a body corporate, a bit like, as my hon. colleague has said, the Heritage Trust? Or is this to be an incorporated entity? I think we should know at this stage what type of entity we are talking about if it is to be holding funds either appropriated by Parliament or gifted to it by the public. What is it that the Minister intends? And is the Minister entirely comfortable that the administration of this fund by only three people is appropriate?

1390 Thank you, Mr Speaker.

Mr Speaker: Does any other hon. Member wish to contribute? The Hon. Joe Bossano.

1395 **Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano):** Yes, Mr Speaker, I really want to speak on the wider issues that we are facing rather than on the technicalities of the Bill, which is a Government Bill, which clearly on this side of the House we all subscribe to.

I think the state of the business of climate danger is progressing much faster than the state of the attempts to do something about it. (**A Member:** Hear, hear.) The latest comment on where we are is that of Prince Charles to the Commonwealth, saying we have got 18 months left to save the planet. That was said yesterday. In my recent contribution to the Budget, where I referred to this, I said there is a debate, which is a global debate, which is not taking place but which will be forced on us by the passage of time and the worsening of the situation. The warnings of the scientists are not having the effect that they should have.

1405 The conference that I was fortunate to attend in London recently, organised by the St Michael and St George Order, was addressed by the head of the British Antarctic Survey looking at what is happening in Antarctica, who said two incredibly alarming things – and this was a scientist who was not trying to alarm anybody, was not even talking as if the planet that she was referring to was the one we are living on, but was looking at it with the detachment that scientists tend to develop when they look at things. One thing that she said was that the battle had already been lost in respect of the North Pole because there are now too many political issues and vested commercial interests, that allowing a shorter passage for ships by having a pole that does not freeze the waters around it is going to become predominant and that everybody is already trying to position themselves in order to exploit the mineral wealth of the land that will be revealed when the ice is not there. So it seems that the view of the scientists is that, whatever we do, that is no longer something that can be stopped or recovered.

1415 Then she said that in the case of the South Pole, if the ice there melted then we would be talking about an increase in sea level of 30m. We were sitting on the second floor of the Foreign Office and she told us we would all be swimming there, if that happened! The other information

1420 that she provided which is evidence of what is happening with the climate is that the latest science on the South Pole is that they have been able to drill and bring out a column of ice that goes down as far as the ice goes, however many kilometres that is, and that they have been able to find a way of preserving that ice so that they can then slice it, like you do when you do scans. The oldest bit of the ice at the bottom of this column is 800 million years and they have been
 1425 able to examine – by controlling the melting of that ice, which contained frozen air bubbles – the CO₂ content in parts per million. In the 800 million years there has never been a time when it has been at 400-odd parts per million, which is what it is now; it has never been higher than 330 parts per million. So we are talking about a situation where there is now evidence that if there is a connection between CO₂ and climate change and the temperature of the planet, then
 1430 it is not just has it always happened, or has it happened without us being there, and has it happened in the past. We were not there 800 million years ago.

So I think the mounting evidence presents a worsening picture, and a worsening picture is related to a shortening timescale. 2020 may be too late, 2030 may be too late, 2050 may be too late, or it may be too late already, but certainly I believe that the most important thing we need
 1435 to do, apart from the physical action that we take to reduce CO₂ emissions in Gibraltar – which will make no difference at all to the scenario that I am painting, but we have to do it because otherwise, if everybody takes the position ‘what I do doesn’t make a difference’, then nobody will do it – is to convey the sense of urgency that this entails at every opportunity and everywhere we go, ‘we’ individually as Members of Parliament and ‘we’ collectively as
 1440 Government and Opposition, if it is real and it is serious.

I recently attended the Parliamentary Assembly of the Mediterranean (PAM) and I took the opportunity of explaining to them the motion we have passed on the climate emergency. I urged the organisation, PAM, to recommend all the parliaments in the Mediterranean to follow the example of what we have done and the UK has done, in the hope that we keep on raising the
 1445 level of consciousness and the level of concern that needs to exist before radical action needs to be taken – and the radical action goes to the very root of what I know about, which is economics.

The science, if it is a science, of economics is built on a premise that exploiting the resources of the planet in ever-increasing quantities to have ever-increasing levels of consumption is what
 1450 we should be doing. It never assumed, in the short history of economics as a so-called science, that that would have any effect other than enrich us, and the real debate in economics has not been about whether exploitation is good or bad but who should take the lion’s share of what we exploit. Well, what the planet is telling us is that while we are all squabbling about who takes the lion’s share, there may be nothing to take before very long, and that I think reflects part of what
 1455 the hon. Lady was saying but is not something that we can address and put right by taking measures ourselves here.

I think we need to see what we can do to ensure that the seriousness of the situation is understood by our people and that we collectively try to make other people understand it. There are people who believe what I am saying all over the world, but they are all minority voices and
 1460 we need to help make those voices louder. *(Banging on desks)*

Mr Speaker: Does any other Member wish to speak on the debate before I call on the mover to reply?

The Hon. Dr John Cortes.

1465

Hon. Dr J E Cortes: Thank you, Mr Speaker.

I would like to thank all the contributors to this debate for what is ultimately, despite some reservations, clear support for the Climate Change Act. In particular, I would like to thank my friend and colleague, and in many ways mentor, the Hon. Sir Joe Bossano, for taking the message beyond our shores as he always does so ably, taking the environmental message on this
 1470 occasion.

If I may just make my first reference to the Hon. Mr Clinton, I have to reassure him that there is no cause for concern and that certainly if and when the Climate Fund, which I very much want to happen, comes into place it will be provided for perfectly well, and the incorporation of a climate expert is not going to be just in that fund. But I will be talking about the committee in a minute. One thing that the hon. Member did not do is actually welcome that there is an intention to create such a fund, which I think is very important.

In relation to the Hon. Trevor Hammond's question on the form of the committee, I think we must realise that the committee has to be created and that there is provision for regulations to determine the status, constitution and membership of the committee. This will happen. So it does not rule out the possibility of a body corporate, although I do not think that is the kind of committee that certainly I envisage. I think that what I am looking at is an advisory committee but made up of experts. Some of these experts, because of the nature and the specialist nature of this, may not necessarily be in or from Gibraltar. We may call on international experts to form part of that committee. So that is the angle that I am looking at and I think that when the composition is announced the hon. Member will most certainly welcome it.

The hon. Lady raised a lot of very valid points. Clearly, since she prepared her speech we have amended the target from 80% in 2050 to 100% in 2045. That is a statutory target of the Bill, but the climate motion still stands and the intention approved by Parliament and certainly my intention as Minister is to aim for the more ambitious targets of carbon neutral by 2030 and reduced emissions by 2035.

I think what I must say is that I have recently commissioned a study which will look at the different targets that we have set in the motion and in the Bill which we hope to pass today, and it will actually translate those targets into what definite action has to be taken. I expect to receive that report by the end of August and I will share it with the Members opposite and I think that will explain away a lot of the concerns that have been raised, because this certainly is urgent.

The Bill also provides that in modifying targets they may only be modified if the targets are higher – that is more ambitious – and they cannot be modified in the opposite direction. It may be that based on the result of that report we would look at doing that, because that would provide advice to the committee which then would make those representations.

A lot of what the hon. Lady said is down to detail – carrier bags and electric vehicles. If we had waited to do all those different things that will come into play, we would not have had this Bill before us today. These are details and this is why there are wide regulation-making powers. It is not because I would necessarily want to control all this; it is because we need to get this on the statute book and now we need to deal with these regulations.

I am sure that even though the hon. Lady said that I am only paying lip service to the environment, she actually does not mean that. I can assure this House that these regulations will tackle head on the urgent nature of the problem, the climate emergency. They will, certainly while I am Minister for Environment, and therefore I would urge all in this House to ensure that following the next elections I continue to be Minister for the Environment, (**A Member:** Hear, hear.) (*Banging on desk*) obviously with the blessing of the Chief Minister, whose decision ultimately it would be. Mr Speaker, I do not think anybody here can doubt my commitment to this and I do assure even those who think that this is not ambitious enough that the ambition is there and that as long as I am able to perform the duties as Minister for the Environment I will make very sure that they are fulfilled and that Gibraltar plays its role, small as it may be, in tackling this climate emergency.

I once again commend the Bill to the House. (*Banging on desks*)

Mr Speaker: I now put the question, which is that a Bill for an Act to set a target for the year 2050, and interim target for the year 2030, and to provide for progress targets for the reduction of greenhouse gas emissions; to establish a Committee on Climate Change; to confer power on Ministers to impose climate change duties on public bodies; to make further provision about

1525 mitigation of and adaptation to climate change; to make provision about energy efficiency; to make provision about the reduction and recycling of waste; to make other provision about climate change; and for connected purposes, be read a second time.

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

Clerk: The Climate Change Act 2019.

**Climate Change Bill 2019 –
Committee Stage and Third Reading to be taken at same sitting**

1530 **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.

1535 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

Chief Minister (Hon. F R Picardo): Mr Speaker, the Parliament has been through a lot of business this morning and we still have a number of issues to deal with this afternoon. Given the time, I would propose that we recess until 3.15 this afternoon.

Mr Speaker: The House will now recess until 3.15 this afternoon.

The House recessed at 1.37 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.17 p.m. – 9.45 p.m.

Gibraltar, Friday, 12th July 2019

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The Gibraltar Parliament

The Parliament met at 3.17 p.m.

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

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

BILLS

FIRST AND SECOND READING

Pet Animals (Sales) (Amendment) Bill 2019 – First Reading approved

Clerk: A Bill for an Act to amend the Pet Animals (Sales) Act 2005. The Hon. the Minister for the Environment, Energy, Climate Change and Education.

5

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 Pet Animals (Sales) Act 2005 be read a first time.

10

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Pet Animals (Sales) Act 2005 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Pet Animals (Sales) Act 2005.

Pet Animal (Sales) (Amendment) Bill 2019 – 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.

15

In the almost 15 years since the Pet Animals (Sales) Act 2005 was enacted, awareness and concern for the welfare of animals bought and sold in pet shops has grown considerably. Attitudes towards the keeping of pets generally has developed, public campaigns for responsible ownership of animals are widespread and there is increasing demand for pet shops to source animals from responsible and reputable breeders rather than contribute to the cruel industry of puppy mills and other forms of pet farms which can leave animals with serious health and behavioural problems caused by poor conditions and treatment.

20

The amendments to this Act seek to ensure that pet shops in Gibraltar are bound by law to observe high standards of animal welfare, from the moment an animal is sourced from a breeder to the point of sale to a customer and the whole period in between while the pet shop is responsible for it. A more recent policy change which has received considerable public backing in the UK is the so-called Lucy's Law, being the ban on the sale by pet shops of puppies and kittens they have not bred themselves. This Act aims to protect against the same concerns,

25

albeit in a manner which is appropriate for the particular circumstances of Gibraltar and in particular the fact that many members of the public will purchase pets across the border.

In the new provisions with relation to licence conditions when granting a licence to operate a pet shop, the licensing officer imposes conditions to be complied with by the licensee. While previously the licensing officer imposed conditions in accordance with best practice, these conditions will now have statutory backing and will be contained within regulations which will be enacted following this Act. In addition, the Act provides for the inclusion in the licence of certain conditions to be mandatory, including conditions relating to specific species being sold and prescribing a minimum age for the sale of certain species of animals. This will address the sale of mammals at very early ages, where removing them from their biological mothers and transporting them can have serious adverse impacts on their health and development.

In addition to the existing matters a licensing officer must have regard to when granting a licence, the Act has added the requirement for cats and dogs under four months of age to have been bred by approved breeders. A pet shop or breeder can apply to the licensing officer for approval and must demonstrate compliance with certain standards of animal welfare. This includes, keeping the number of animals kept within an area which is reasonable considering the space and staff on the premises, and not breeding animals if causing them to breed would have a detrimental effect on health or well-being. The approval must be renewed annually, thus ensuring that standards do not slip once the approval is obtained. A consequential amendment will be made to the Animals Rules to ensure that the same standards are met when considering whether an import licence will be granted to a person who is importing dogs and cats under four months old for commercial purposes.

The age of children to whom pet animals can be sold will also vary. The age of a child to whom a pet shop may sell a pet animal has been raised from 12 to 16. This reinforces the view that pet animals are a considerable long-term responsibility rather than a temporary source of entertainment or a toy. This section has also been extended so as to create a new offence of entering into an arrangement with a child where an animal can be won as a prize.

The criminal implications for the commission of an offence under this Act have not been amended. However, in order to more efficiently clamp down on improper conduct by pet shops, the powers to revoke a pet shop licence or disqualify a person from keeping a pet shop have been extended to the licensing officer, being the Environmental Agency and the Minister with responsibility for the environment. In addition, where there are reasonable grounds to believe any premises are being used for the sale of pets without a licence, magistrates may grant a warrant for those premises to be inspected. This has now been extended to allow for a warrant to be granted to search private dwellings, as unfortunately instances of pets being improperly kept for commercial purposes in homes have come to light.

Lastly, Mr Speaker, if a person was convicted of an offence under the Act, previously only the court could cancel a pet shop licence. The amendment to this Act will allow the licensing officer or Minister to revoke licences in such cases while preserving the right of the licence holder to appeal to the court.

With these, I think marked, improvements in the interests of the welfare of animals, I commend this Bill to the House. *(Banging on desks)*

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

Hon. E J Phillips: Mr Speaker, I welcome the Bill presented by the hon. Gentleman.

I just have one question. Insofar as the non-commercial importation of pets, and particularly given the fact the United Kingdom introduced regulations on 1st October 2018 of which the purpose of that was to ensure, and to compel individuals who were purchasing pets to conduct the transaction in person to avoid, of course, online transactions in relation to animals, how does that sit with this Bill insofar as the border is concerned and the fact that people do buy pets

and transport them across the border? I would just like a bit more information about that aspect in relation to this Bill and how it interacts with it.

85 **Mr Speaker:** Does any other hon. Member wish to speak on this Bill before I call on the mover to reply?

Hon. Dr J E Cortes: Mr Speaker, I have just had some advice from the drafter of this Bill. The rules already provide for the need to have a licence to import, so that can be covered there and in fact we could even tighten it by regulation. I would be very happy to consider those concerns separately and then, as we are going to be having to amend regulations to conform to this Bill, I would be happy, behind the Speaker's Chair, to discuss those concerns and, if possible, add another clause to that.

I have nothing further to add, so I commend it to the House.

95 **Mr Speaker:** Any other contributor to the Second Reading?
Does the Hon. Dr John Cortes have anything further to add?

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

100 **Mr Speaker:** I will put the question then. I now put the question, which is that a Bill for an Act to amend the Pet Animals (Sales) Act 2005 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Pet Animals (Sales) Act 2005.

**Pet Animals (Sales) (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

105 **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.

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 2019 –
First Reading approved**

Clerk: A Bill for an Act to amend and clarify the law relating to termination of pregnancy by registered medical practitioners and for connected purposes.

The Hon. the Minister for Health, Care and Justice.

115 **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 and clarify the law relating to termination of pregnancy by registered medical practitioners and for connected purposes be read a first time.

120 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend and clarify the law relating to termination of pregnancy by registered medical practitioners and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Crimes (Amendment) Act 2019.

**Crimes (Amendment) Bill 2019 –
For Second Reading –
Debate commenced**

125 **Minister for Health, Care and Justice (Hon. N F Costa):** Mr Speaker, I beg to move that the Bill for the Crimes (Amendment) Act be read a second time.

The Chief Minister presented a Command Paper on 27th September of last year after the Government's Inter-Ministerial Committee on Abortion had consulted a number of groups and individuals who had expressed views or concerns on the matter. The committee, chaired by the Hon. the Chief Minister, also includes the Hon. Dr John Cortes, the Hon. Albert Isola, the
130 Hon. Samantha Sacramento and myself.

The committee was formed after the decision of the Supreme Court of the United Kingdom following an appeal in the matter of an application by the Northern Ireland Human Rights Commission for judicial review. In that case, the Northern Ireland Human Rights Commission was seeking a declaration that the abortion laws in Northern Ireland are incompatible with
135 Articles 3 and 8 of the European Convention on Human Rights. Article 3 of the European Convention provides that:

No one shall be subjected to torture or to inhuman or degrading treatment or punishment.

Article 8, at 8.1 states:

Everyone has the right to respect for his private and family life, his home and his correspondence.

The Supreme Court held that it had no jurisdiction to make the declaration of incompatibility because the Northern Ireland Human Rights Commission do not have the power to institute
140 abstract proceedings as it had in that case.

However, having considered the full arguments and evidence, the court proceeded to express conclusions on which the majority view was that the current law in Northern Ireland is disproportionate and incompatible with Article 8 insofar as it prohibited abortion in cases of
145 fatal foetal abnormality and where pregnancy results from rape or incest. The majority of the court felt that the prohibition of abortion in those specified circumstances was an interference with the right to respect for private life as set out in Article 8 and that the interference was not justified under Article 8.2.

Article 8.2 provides, and I quote but I only read the relevant parts:

There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society ... for the protection of ... morals, or for the protection of the rights and freedoms of others.

150 The issue the court consequently considered was whether the interference was necessary in a democratic society: did it strike a fair balance between the rights of a pregnant woman and the community's interest in protecting the foetus? The court indicated that the unborn foetus was not a person in law but emphasised that its potential had to be respected. It is important to note that the position in law is that a foetus is not a person.

155 Against this backdrop the court found that the agony of having to carry a child to birth and to have a potential responsibility for a lifelong relationship with the child against the mother's will could not be justified. This was said in respect of incest but applies equally to rape. In the case of fatal foetal abnormality the court felt that the law:

failed to achieve its objective in the case of those who are well informed and well supported, merely imposing on them harrowing stress and inconvenience while it imposes severe and sometimes lifetime suffering on the most vulnerable who commonly, because of lack of information or support, are forced to carry the pregnancy to term.

160 Mr Speaker, Gibraltar is under a duty to observe the provisions of the European Convention, much of which is similar, if not identical, to the terms of the Gibraltar Constitutional Order 2006. As relayed by the Gibraltar Court of Appeal:

When the United Kingdom subscribed to the Convention in the early 1950s it did so on its own behalf and also on behalf of Gibraltar. If Gibraltar does not observe the Convention, the UK is in breach of its international obligations and liable to be brought before the European Court of Human Rights.

The Gibraltar Constitution Order unequivocally requires Gibraltar courts to consider where relevant, when considering a matter involving the protection of constitutional fundamental rights and freedoms, the views and findings of the European Court of Human Rights.

165 Article 8 of the Convention, as already cited, provides for the right to respect for private life. The provisions of section 7(1) of our Constitution are in almost identical terms to Article 8.1 of the European Convention. Section 7(1) of our Constitution provides that:

Every person has the right to respect for his private and family life, his home and his correspondence.

Section 7(3) of the Constitution goes on to provide that – and once again I quote but only in respect of the relevant provisions:

(3) Nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of this section to the extent that the law in question makes provision -
(a) in the interests of ... public morality ...
(b) for the purpose of protecting the rights or freedoms of other persons;
...
(e) ... except so far as that provision or, as the case may be, the thing done under the authority thereof is shown not to be reasonably justifiable in a democratic society.

170 As already highlighted, section 7(3) has broadly the same effect as Convention Article 8.2, which Gibraltar must observe.

175 Mr Speaker, the law on abortion in Gibraltar today mirrors the law applicable in Northern Ireland. It is that law which the Supreme Court in the United Kingdom considered was incompatible with Article 8 of the European Convention. That law is derived from the Offences Against the Person Act 1861, which was the law in the whole of the UK until the changes made in 1967 to permit abortions in certain circumstances. However, the 1967 changes did not extend to Northern Ireland.

180 Government, in the knowledge that our laws are in direct breach of both the European Convention on Human Rights and our own Constitution, cannot allow the situation to persist. In the circumstances, to ensure that Gibraltar law is compliant with the European Convention and our own Constitution, Government has proposed a change to the law, in the terms of the draft Bill set out in the Command Paper, in order to remedy the defects identified in the judgment of the United Kingdom Supreme Court.

185 Mr Speaker, the present state of the law on abortion in Gibraltar ought to be the right place to start when considering the Bill. The law is governed by the Crimes Act, which in section 162 refers to the unlawful administering of any poison or noxious thing or the unlawful use of any other means with the intent to procure a miscarriage. The Crimes Act therefore tells us what is unlawful but not what is lawful, and this is what this Bill develops.

Clause 3 of the Bill amends the Crimes Act by inserting new sections 163A through to 163E.

190 Proposed section 163A decriminalises the medical termination of a pregnancy by a GHA
doctor in four specified circumstances when certified in good faith by two registered GHA
doctors, save where immediately necessary to save a life or to prevent grave permanent injury.
The grounds required are set out in proposed sections 163A(1)(a) through to (d)

195 Proposed section 163A(1)(a) provides the first ground when the pregnancy is under 12 weeks
and two GHA doctors certify that terminating the pregnancy would lessen the risk to the physical
and mental health of the pregnant woman. This is the ground that is designed to cover those
cases of rape and incest the United Kingdom Supreme Court considered.

200 Section 163A(1)(b) deals with terminations necessary to prevent grave permanent injury to
the physical or mental health of the pregnant woman. This does not have a 12-week limit but
requires a much higher standard by requiring the two GHA doctors to certify that the
termination is necessary to prevent grave permanent injury to the mother. The important points
to highlight in respect of this section are the requirements of necessity and grave permanent
injury, therefore establishing an extremely high threshold.

205 Proposed section 163A(1)(c) covers situations where the continuation of the pregnancy
would involve greater risk to the life of the pregnant woman than if the pregnancy were
terminated.

Lastly, proposed section 163A(1)(d) covers situations where there is a substantial risk that the
child is suffering from a fatal foetal abnormality.

210 Proposed subsections 163A(3) and (4) also designate the places in which abortions can be
carried out, such as hospitals, as authorised by the Minister for Health. Mr Speaker, it is
important to note that the Government will not authorise private clinics as it does not wish to
foment an abortion industry in Gibraltar.

215 Proposed section 163B allows for the making of regulations requiring the provision of
information on abortions to the Director of Public Health. Government has draft regulations to
be published, which (a) prescribe forms for the purpose of certifying opinions under
section 163A and the time limit for the making of such certifications, (b) provide for the
preservation and disposal of such certificates, (c) require notice of the abortion and information
relevant to it to be given to the Director of Public Health, and (d) restrict the disclosure of such
notices and information.

220 Proposed section 163C allows conscientious objectors to not participate in the certified
treatments – save where necessary, of course, to save the life or to prevent grave permanent
injury to the physical or mental health of a pregnant woman. It therefore only gives a qualified
right and is only included in an abundance of caution, as the General Medical Council, in its Good
Medical Practice and Personal Beliefs and Medical Practice Guidelines, provides that the GMC
does not prevent doctors from practising in line with their beliefs and values as long as they
225 explain to patients if they have a conscientious objection to a particular procedure. In such
circumstances, clinical guidance will require practitioners to inform the patient that they do not
provide the particular treatment or procedure, being careful not to cause distress or imply
judgement. The practitioner will tell the patient that they have a right to discuss their options
with another practitioner who does not hold the said objection and will ensure that she has
230 enough information to arrange to see another doctor who does not hold the same objection. If
not practical for the patient to arrange to see another doctor, the practitioner will make sure
that arrangements are made without delay for another suitably qualified colleague to advise,
treat or refer the patient.

235 Mr Speaker, this Bill has been the subject of extensive and passionate public debate. There
were 103 responses to the Command Paper received prior to the closing date, with a small
number making their way after this. Some of those respondents have written to Government
since the Bill which we are now debating was published. I wish to highlight how thoughtful the
majority of the responses were and how this is a great example, if ever there was one, of the
vibrant and participatory democracy we enjoy in Gibraltar.

The debate has been largely two sided. I wish to start by saying that I do not necessarily agree with either characterisation of either camp. In the first place, I dare say that the great majority of women who have an abortion choose to have one in the loosest sense that I can conceive the meaning of the word. Before a woman decides to terminate a pregnancy, given the seriousness of that action it is more likely than not that the word 'choose' is not the most appropriate. I have trouble, therefore, with the 'pro-choice' nomenclature, but I will use the reference to pro-choice because not every woman who supports a woman's right to reproductive choice supports abortion at a personal level. Similarly, I also have difficulties with the label 'pro-life' to describe the group against abortion in any circumstances, because I also consider myself pro-life. I would never seek to intentionally harm a person and I am only in favour of abortions in the limited circumstances set out in this Bill.

Mr Speaker, before I enter into the debate around abortion, I think it is crucially important to set out that this Bill, contrary to what has been said by some in public, is not radical and does not allow abortion on demand but only in the circumstances set out. It equally does not provide for terminations on the basis of sex selection. It is much more restrictive than the Act on which it is based, which some in the UK are asking be modernised by the removal of the requirement for the certification of two doctors and the decriminalisation of abortion completely. On the one side, the pro-choice argument seeks, on the whole, a right to choose for the pregnant woman. On the other side, those who oppose abortion have mainly advocated for the right to life of the unborn foetus.

Those who oppose abortions have sought to distinguish the Supreme Court decision, saying that the Government is not obliged to take action as a result. It is argued that the case is not a legally binding ruling and that the relevant statements made by the majority of the judges did not form part of what they actually decided in the case. In my view, that is a – with respect – technical argument. The key statements on the compatibility of the law would have formed part of the decision in the Northern Ireland Human Rights Commission had the Commission been a pregnant woman living in Northern Ireland. Nothing more. No one can argue, to our mind, therefore, that those statements do not amount to anything less than exceptionally persuasive remarks on the constitutionality of our law on abortion and the European Convention on Human Rights, and I suspect that the lawyers advising those who oppose abortion are fully aware of this point.

Further, and critically, Lord Mance, in concluding his judgment – and I replace 'Gibraltar' for 'Northern Ireland' and the Crimes Act for the 1861 Act – said:

Those responsible for ensuring the compatibility of [Gibraltar] law with the Convention rights will no doubt recognise and take account of these conclusions, at as early a time as possible, by considering whether and how to amend the law, in the light of the ongoing suffering being caused by it as well as the likelihood that a victim of the existing law would have standing to pursue similar proceedings to reach similar conclusions and to obtain a declaration of incompatibility in relation to the [Crimes] Act.

Mr Speaker, only earlier this week Parliament in Westminster has enacted to rectify the law in Northern Ireland. These amendments were brought by backbench MPs who argued that the UK government's contention that amendments of the Northern Irish laws on abortion could only be made by the devolved Northern Irish government was defunct, given that the devolved government has been suspended since the beginning of 2017. In our view, such bold action shows the importance that this Government must pay to Lord Mance's warning.

Those who oppose abortion have also argued that the matter could still come back before the Supreme Court and on that occasion the judges could decide differently. Such advice, in our respectful view, can only be categorised as a rolling of the dice. Put differently, such an argument is tantamount to advice to continue to act unlawfully until stopped by the Supreme Court of Gibraltar. As Minister for Justice, on having sworn an oath to uphold the rule of law I cannot tolerate a law which the Supreme Court of the UK has advised is in breach of the

European Convention on Human Rights. The correct approach therefore surely must be that the law ought to be changed – and should a new majority decide differently, changed once again.

It has also been argued that the Supreme Court did not express the view as to how the law ought to change, that the clauses of the Bill go beyond what is required. This is, however – once again, with respect – to ignore the logistical barriers and drafting complexities that arise in ensuring that the abortion is available following sexual offences and incest. It is the wording in the UK Abortion Act as amended in our Bill which brings us closest to the desired aim of allowing for terminations in the circumstances set out by the Supreme Court.

Mr Speaker, nowhere in the world and with the best will in the world would a rape or incest trial be heard within 12 weeks, assuming even that the woman were to complain of the incident on the same day. It would further be wrong to have the woman prove that the pregnancy is as a result of rape, which is why the Bill is drafted as it is and we can have the period of 12 weeks, given the Supreme Court's concerns about the rights of the pregnant woman given the harrowing stress, suffering and mental agony such a process would likely involve. An alternative formula to the Bill – and I think this is quite telling – has not been provided in any of the submissions received from any of the entities. It is not hard to devise why such alternative suggestions have not been received.

Mr Speaker, those who oppose abortion frequently cite the United Nations Universal Declaration of Human Rights when discussing the rights of the foetus, but it may do us well to remember that the UN Deputy High Commissioner for Human Rights recently pointed out that the committee of experts assigned to monitor the implementation of the nine core human rights have 'each independently declared the absolute prohibition of abortion to be against human rights'. In September 2018 a group of human rights experts urged governments across the world to:

enhance the progress towards ensuring the rights of every woman or girl to make autonomous decisions about their pregnancy.

They went on:

This is at the very core of a fundamental right to equality, privacy and physical and mental integrity and is a precondition for the enjoyment of other rights and freedoms.

On the other side of the argument we have submissions for the 12-week limit for abortions on the basis of risk to the woman's physical or mental health to be extended to 24 weeks and for abortions to be allowed without indication for up to 14 weeks. It has also been proposed that limiting abortions to rape and incest is objectionable, condescending and degrading. To those arguments we say that we are seeking to ensure that our laws are compliant with the European Convention and our Constitution. Government does not support on-request abortions, as this would be tantamount to holding abortion in the same light as a routine dental procedure. Abortions are clearly not that and we on this side of the House certainly cannot agree with any such proposition.

In addition to the receipt of written submissions, Government has also consulted widely and met with interested persons and groups. One result of such a discussion has been the removal of terminations where there exists a substantial risk, if the child were born, that it would suffer from such physical or mental abnormalities as to be seriously disabled. This is principally due to the Royal College of Obstetricians and Gynaecologists report that highlighted the need for specialisms which would not be brought to Gibraltar. The report recommends a multi-disciplinary group, including foetal medicine specialists, neonatologists, paediatric surgeons and geneticists – which are services that are not provided in Gibraltar – to discuss the case and conclude whether the grounds for the termination are met. The report concludes that optimal care for women after a diagnosis of foetal abnormality also relies on this multi-disciplinary

approach. In any event, it was the view of the Government that such terminations went beyond the Supreme Court's majority statements.

Mr Speaker, there have always been very difficult decisions to make as a servant of the community, and in discharging our public duties we have to deal with the facts before us. This is certainly, for me, the most difficult matter I have dealt with yet. I do not enter into arguments of conception, for the potential of life is important and termination is the end of that potential. My house, as the houses of many here in this Parliament, will have been divided on this issue. You are either for or against. This subject is one that permits no grey areas.

There are plenty of philosophical and bioethical texts on the subject matter, where the arguments therein that are taken to their logical end are, in one way or another, illogical. I do not intend to take the House through an intellectual examination of these papers, but I do reiterate that the research on either side shows that there are no grey areas. Those in favour and against both deftly explain why each other's arguments are inherently flawed.

Whether it is right or wrong to terminate a pregnancy is, having personally considered the literature on the subject, a question of ethics. Each of us eventually will have to make our own decision. Should the hon. Members be interested in reading further on this, there are two papers which I will be glad to provide to them.

But, Mr Speaker, this is not about me. I am not a woman, and what is worse than abortion is not allowing for abortions in the specified circumstances of rape, incest and fatal foetal abnormality. The facts of life are such that if we do not provide for abortion in such circumstances we are forcing our young women to travel abroad to undergo potentially unsafe terminations, which in cases can even cause significant harm. This has also meant that these women have undergone these terminations many a time as a result of rape and domestic abuse in unfamiliar surroundings and without the support of their loved ones. Providing a safe, clinical environment in familiar surroundings with support is therefore, in our view, a moral good.

The issues surrounding this topic are intricate and, as we have experienced over the past year, provoke passionate emotions among those for and against. This measure, this Bill, will have satisfied neither camp, which demonstrates that the Government is doing what it feels is right in the circumstances.

Mr Speaker, it is proper to place matters in context and important to note that Gibraltarian mothers have undergone terminations, following referrals by the GHA, since at least 1997. A mother at present undergoes a test for foetal abnormality: if the tests confirms a risk, the mother is sent to the United Kingdom for a second test which confirms whether the foetus will suffer an abnormality at birth. It is then for the mother to decide how to proceed, and the GHA has historically funded the procedure chosen by the mother. This therefore means that likely every government of Gibraltar since, certainly the documents show, 1997 has provided funding for abortion. It would console all past Ministers for Health that the Attorney General has advised that the GHA has acted lawfully in funding terminations in the UK, in such circumstances.

There have been occasions when medical experts expressing grave concern over an expectant mother's life have approached me to determine whether a determination is within the law. The GHA has obtained urgent legal advice as to how to proceed, demonstrating how seriously it takes its ethical and legal responsibilities to the foetus. Such ethical behaviour also seriously undermines the argument that doctors of the GHA will certify anything that is not true medically. It is also worth remembering, Mr Speaker, that all doctors are regulated by the GMC, which is not a toothless tiger. A doctor will not ignore the threat of the GMC unless they wish to lay their careers on the line.

Mr Speaker, whilst we debate today the amendments to the Crimes Act, no one should be left in any doubt as to the value that all members of Government place on persons and life. In this respect it is to be noted that the GHA spends whatever money it must when a baby's life is in danger. It is no secret that the GHA refers mothers and their babies to specialist centres, such as in Cádiz, both pre and post birth. It is not insignificant to note, in the interests of this debate, that the GHA has also increased its complement of paediatricians from two to five, only in the

last 24 months, and is about to open a dedicated Children's Health Centre. Further, Mr Speaker, mental health services for the young have substantially improved, not least by the opening of the Child and Adolescent Mental Health Services.

Mr Speaker, having highlighted in the briefest of terms the importance the GHA places on the treatment of babies and neonates, I could say much more, but now, of course, is not the time for such elaboration. The reality of the situation today is that young women, either with the support of loved ones or alone, travel to the United Kingdom or cross the border to undergo privately funded terminations. The Inter-Ministerial Committee needs to make a decision based on what is happening at present and not on what should happen in an ideal world. It would therefore be remiss, Mr Speaker, for a health service provider not to offer counselling for women who are considering terminating their pregnancies and the GHA has employed two counsellors who can discuss the issues and explain the options available to women who need support, this in the hope that it might help the woman reconsider their case with assistance or for later adoption or fostering. The mother will see that there are options available to her. However, talking to a counsellor is no guarantee that a woman will not have the termination, but at least by providing counselling services there is a chance that the woman will consider her position afresh. If the woman does decide to proceed with a termination, after having seen two GHA doctors, who confirm that the criteria set out in the Bill are satisfied, then a service, in our view, needs to be provided, as otherwise we lose total control as to how we care next for the woman. By retaining a degree of control the GHA can ensure optimal clinical care. We otherwise risk women undergoing terminations in clinics not meeting the GHA's clinical and safety standards. And in this world, Mr Speaker, highly regrettably and unfortunately, we can only choose to act on the lesser of two evils. We ought to take the route where a woman's decision does not result in a botched up procedure somewhere outside of Gibraltar and in the infliction of harm to the foetus and to the mother. This Bill will especially help women who do not have the means to spend money in clinics with high standards of safety and care.

Those who oppose abortion, Mr Speaker, have argued that we ought to do no more than provide counselling. But, of course, the concern is that it is less likely for a woman to avail herself of counselling if abortion is not an option. If abortion is available the woman is more likely than not to engage with counselling – this is the reality of the world.

Women can go across the border to obtain a termination without at all passing through the GHA. Additionally, the GHA has started a new sexual health clinic which provides for the availability of freely available advice and contraception to protect against unwanted pregnancies. The GHA will continue to remind the public of the support that exists from health professionals in respect of family planning. Long acting reversible contraception, such as the implant, injection and coil, are provided along with oral, barrier, and emergency contraception methods. In this respect, family planning clinics provide the time necessary, in a completely confidential setting, to ensure that the right contraceptive option for a patient is recommended, that both a patient and partner would feel comfortable with and confident in using.

The new Well Person Unit is an important and crucial innovation for the GHA in the field of sexual health, as patient records will be stored under a unique Well Person Unit number and test requests and results will be anonymised. Anonymisation is essential to ensure that patients feel confident and secure in accessing GHA services. The GHA will continue to provide appropriate advice in respect of the morning after pill and other non-invasive mechanisms for terminations in a manner that is, where appropriate, consistent with the proposed amendments to the Crimes Act. Advice and support, including mental health support, is to be provided both before and after a termination is carried out.

Mr Speaker, I also want to take the opportunity to clarify an argument that keeps rearing its head in public discussion which is this: the morning after pill has an inverse relationship with abortion. It does not cause an abortion; it stops a pregnancy from occurring and therefore prevents the need for an abortion.

The Government has set up support mechanisms for pregnant women so that no woman makes a decision to seek an abortion or feels they need to because of mental health matters related to their social or economic circumstances. This advice would be primarily provided through the Care Agency. If a woman is considering a termination due to social or economic reasons and a woman seeks support from Social Services instead of her GP, this would give an indication that she would consider continuing through to full-term under the right circumstances, and therefore social workers will consider available options, including arranging appointments with other Departments such as Housing and the Department of Social Security or, of course, counselling to consider options such as adoption.

Mr Speaker, notwithstanding all that I have said, even though I confirm that we have an obligation not to tolerate a breach of the Constitution and of the European Convention on Human Rights, there is one issue that gave the Inter-Ministerial Committee pause for thought. The lawyers in the House will recognise the space for manoeuvre, albeit fettered and limited, that national authorities enjoy when fulfilling their obligations under the European Convention on Human Rights, referred to as the margin of appreciation. This margin has in the past been used with Article 8, as it has an accommodation or limitation clause, namely Article 8.2 recognises the tension created between individuals and society. A margin of appreciation has been allowed in this respect for the protection of morals on the ground that moral concepts vary from nation to nation. Given that none of the parties have a mandate on whether to permit abortions at all or in particular circumstances, and given the passionate and opposite held views on the morality of this subject, the Government proposes that the question as to whether to commence these amendments to the Crimes Act should be decided in a referendum to be held on 19th March of next year.

Mr Speaker, I need to be clear that personally I think it is highly unlikely that the margin of appreciation will be enough for Gibraltar to prevent terminations in the circumstances we have set out in this Bill. The general position in Europe on the question of terminations would likely place the present circumstances in Gibraltar beyond the margin of appreciation. The European Court of Human Rights has decided that a state's discretion in the field of the protection of morals is not unfettered and it is reviewable. On having said that, Mr Speaker, the Inter-Ministerial Committee cannot be absolutely certain of the legal position in the light of the margin of appreciation. As a result, the Government is committing today to respect the result of the referendum and hence the Bill provides for commencement if a majority were to vote in favour of commencing the Bill.

I feel I must point out, Mr Speaker, that events could overtake everyone in this House before the date of the referendum, should a woman bring a challenge before the Supreme Court. But that is not for us.

Mr Speaker, on behalf of the Inter-Ministerial Committee, 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 or merits of this Bill? The Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, I am grateful to the Minister for Justice for setting out the rationale for this Bill and what I propose to do is set out the position of Her Majesty's Loyal Opposition and my learned and hon. Friend, Mr Feetham, will deal with the legal analysis in order to counter the points that have been made by the Minister for Justice.

Mr Speaker, the Bill promoted by the Government seeks the amendment to certain provisions of the Crimes Act 2011 to allow for terminations of pregnancies in certain defined circumstances. Whilst the express intention of the Bill is, on the Government's own argument, based on making our law constitutionally compliant, it does, in our view, go beyond that and let us be clear – it introduces, for the first time, abortion on demand.

It is our view that there has been no serious attempt at drafting a law to cater for clear, narrow and limited exceptions. In addition, there is nothing in our constitutional law that requires Gibraltar to introduce a law modelled on the English law of abortion. Her Majesty's Opposition will not go along with this misrepresentation and misleading of our community on this fundamental issue.

The statements made by the Government at the Command Paper stage and on the presentation of this Bill are tantamount to misleading the good people of this community. Whilst I empathise with the groups that have fought hard and articulated their cases, namely the pro-choice and pro-life groups, this Bill does very little to reassure either side of this debate and neither does it reassure the remainder of this community that the Government has properly and comprehensively subjected this Bill to a deep reflection on the principle, the substance or indeed the drafting.

Yesterday, Mr Speaker, and again repeated by the Minister for Justice this afternoon, the Government announced that after this Bill has been passed by this House and before it is to receive Royal Assent it will subject the Bill to the people in a referendum. The Government are seeking the sanction of this Bill by the people. They are effectively asking the people to confirm their wish to the change in the law. This is entirely the wrong approach. The people deserve an opportunity to voice their views on this subject outside the constraints of this Bill and Act and which already have been pushed through and will be pushed through this House today. The Government, in my respectful view, should do the following: (1) unilaterally withdraw the Bill, which has been based on a false and misconceived premise now; (2) publish the legal advice they have received on the purported constitutional necessary exceptions; (3) subject their support for abortion on demand to a referendum of the people. The front page, Mr Speaker, of *The Chronicle* again is spin, and the headline detracting from the truth. What the GSLP Liberal Government wants to do is to obtain the community's blessing and sanction of this Bill and not to have an open and free debate on this fundamental question facing our community. Her Majesty's Opposition will neither legitimise or whitewash the Government's political incompetence in dealing with this issue by voting for the Bill.

It is said, Mr Speaker, on behalf of the Government that the basis upon which this Bill is brought is the finding by the Supreme Court of the United Kingdom in respect to the legality of the law of abortion in Northern Ireland. It is said, by those promoting the Bill, that the law of Northern Ireland is effectively identical to the law of Gibraltar and therefore, given that it is argued that the law of Northern Ireland is disproportionate and incompatible with Article 8 of the European Convention on Human Rights, which is almost identical to Section 7 of our Constitution, we must amend our law to ensure that it is constitutionally compliant. The Government have clearly taken the view that if our current legal framework is challenged in our highest court, the Privy Council, the court is more likely than not to adopt the same rationale as the Supreme Court of the United Kingdom, given that the judiciary are drawn from the same cadre. If that is the Government's conclusion, on advice, they should say so publicly and make that advice publicly available. They have passed the buck.

In the title of the Command Paper the Government stated that it is being forced to legislate in the way it proposes because it is required by the jurisprudence of the Supreme Court of the United Kingdom. It also asserted, in the accompanying narrative, that the proposed legislation is to ensure that Gibraltar law is compliant with the European Convention on Human Rights and that the Gibraltar constitution ... In his interview on GBC on 28th September 2018, the Chief Minister, Mr Speaker, repeated the same point. That statement, in our view, is plainly false and misconceived.

Mr Speaker, having said that, as a lawyer I can see the argument that a Privy Council constituted hearing a claim may well adopt the approach to the United Kingdom Supreme Court case in the Northern Ireland case. But that is not what is being said by the Government. They have not, after careful reflection, said to the public that this is their view on balance and that a change to our law will more likely than not ultimately see our final appellate court determine

the issue in the same way as the UK Supreme Court. The Government have clearly come to the view that our law is unconstitutional and that urgent reform is required to make our law compliant.

Mr Speaker, the basis upon which the Bill, and prior to that the Command Paper, was advanced was to allow for minor amendments to the Crimes Act 2011 to ensure that our law on the Government's own argument was constitutionally compliant. As I have said before, Mr Speaker, to the House, this goes much further and allows under certain circumstances abortion on demand. No doubt my colleagues will address that point and, of course, the Hon. Mr Feetham will address that point in bit more detail.

We are aware, Mr Speaker, and the public are now aware as from yesterday, that the Government has received a number of letters: (1) from a Member of the House of Lords, The Rt Hon. Lord Alton of Liverpool, together supported by other leading politicians; (2) leading jurists from the leading universities of Oxford, Princeton and Faulkner universities, all of which have fundamentally called into question the position – the latter concluding that the Government's position that Gibraltar is required to introduce the law of abortion, and I quote, 'was false and wholly misconceived.' World-leading academics go on to conclude that contrary to the Government's public statements, there is no human rights obligation whatsoever for Gibraltar to change its law on abortion. These comments by senior and respected parliamentarians and leading academics, whatever your personal view on abortion is, and I respect all views, are a damning indictment on the appalling mismanagement by the Government of this most sensitive issue and they should be ashamed to push through legislation without giving it serious rethinking.

We have invited them to think again, take advice and to go to the people but they have, despite the serious concerns, driven this through without any serious thought as to the issues that it raises. We of course note that the hon. Lady has argued vociferously for and campaigned for a consultative referendum. She now needs to explain to this House where she is now, given that 82% of her own party voted for a referendum, I will wait to hear what she has to say about that, Mr Speaker.

To have a group of leading academics from world-leading universities to label the Government's approach as false and wholly misconceived really does bring this Government into disrepute, Mr Speaker. They have misled the people and this House and this is why we oppose the Bill. The twist in this sorry story is that they now wish to put the false and misconceived premise of the Bill before this community for their blessing, for their sanction, Mr Speaker. They have lost respect for this House and more importantly for those that put them in the seats that they sit and we will not support this Bill.

The bringing of a Bill to allow abortions in Gibraltar, Mr Speaker, is not a Bill that anyone in this House anticipated having to deal with during this Parliament. It is one of the most highly divisive issues that our community, certainly in my lifetime and I join with the Minister for Justice on this particular issue, has had to face. The strength of feeling within our community is palpable. No political party, as the Minister for Justice has said, stood on a platform to introduce abortion laws and therefore none of us in this House have a mandate from those who voted for us to pursue laws which for the first time make provision for abortion on demand.

I repeat that there has been no comprehensive analysis to test the opinion of this community on this subject and the only way to do so would be by referendum, a referendum free of falsehoods, free from spin and free from a misconceived premise, Mr Speaker. The last minute change in position not only demonstrates their political incompetence, it illustrates their political dishonesty at the highest level over competing rights of the unborn and the mother.

Mr Speaker, as regards abortion generally, irrespective of whether your view is based on a belief system or a scientific analysis, I am sure that we can all agree that, although not a full moral person with equal ethical status – *(Interjections)* Have you quite finished?

Mr Speaker: Order, order!

Hon. E J Phillips: Mr Speaker, I will just wait for the Chief Minister to stop muttering.

590 **Mr Speaker:** May I call the Chief Minister to order, please. You must not interrupt, Chief Minister.

Chief Minister (Hon. F R Picardo): I am not interrupting, Mr Speaker, I am having a conversation –

595 **Mr Speaker:** You are interrupting the proceedings. Let the Hon. the Leader of the Opposition finish his speech without any interruption whatsoever. In the same way as the Hon. Neil Costa was allowed to speak and you yourself when you intervened, I would ensure that you would be heard without interruption.

600 **Hon. Chief Minister:** Mr Speaker, you are perfectly entitled to conduct the proceedings of this House in the appropriate way. The Government is perfectly entitled to conduct conversations on this side of the House –

605 **Mr Speaker:** Not in conversations that can be heard across the floor or be heard by me!

Hon. Chief Minister: I am not interrupting the diatribe of the Hon. the Leader of the Opposition, who has decided to come to this House simply to insult the Government.

I am going to look forward to my opportunity to reply but in the context of doing so I am going to exercise my right to continue to consult with my colleagues.

610 **Hon. E J Phillips:** I am sure that all of us in this House can agree that, although not a full moral person with equal ethical status to someone who has been born, the human foetus is of moral value and holds a significance that increases as it grows throughout pregnancy. It is therefore correct that the respect due to foetal life must be weighed against the significance of respect for a woman's autonomy, gender equality and reproductive health. I think we all can accept, and those on different sides of the polarising debate, that there is a balancing of rights.

615 I do not believe that the pro-choice campaigners take the view that a human foetus has no moral value or ethical value; as much as I do not believe that the pro-life campaigners take the view that the mother's rights to autonomy, gender equality and reproductive health have no value in this debate.

620 We must all in this House and in our community recognise and respect the fact that rights of the mother and the unborn child are critically engaged in this debate. That debate is one that our community should have and it should not be by way of sanctioning a Government Bill that they are pushing through today. It is simply, what they are trying to do, is put the cart before the horse. The difficulty with this debate that we are having in this House is that it is focused on two arguments which have been articulated at the polar ends, where one side says that one set of rights trumps another once the balancing exercise has been conducted. I firmly believe that the real debate about abortion has not even happened and, given the course set by the Government, it will not be allowed to happen. A real debate, a real referendum, must be conducted free of falsehoods, free of misrepresentation, free of spin and false premises on which this Bill is based. Debating a Bill in the public fails to provide our community with a free and unrestrained discussion of our values as a society.

630 The last minute change yesterday and repeated again this morning, handcuffs our community and it is an affront to democracy. I will continue to question what about the large number of people in the middle of this debate who have only been exposed to the arguments put forward by the two polarised views on abortion? Have we as a community genuinely lifted up the drains and had a deep period of reflection and truly tested the views of our community? No, we have not, Mr Speaker. I would argue that we have not even begun to reach out and ascertain the view

of the moderate majority of this great community. The Government must test the public view on this subject before even beginning to balance rights in this way.

I think we can all in this House agree that all human life is precious, and I am sure we all recognise the very significant special position of the pregnant woman. I believe that the debate we are having is fundamentally flawed because it fails to properly – by which I mean fails to fully and honestly allow the people of our community to debate this most important and sensitive issue.

Reforming the law of abortion requires a very honest appreciation. Religious values should be weighed as a matter of religion, ethical considerations should be debated as matters of ethics, medical assertions should be evidenced through a robust scientific base. We cannot afford for political ideology masquerading as scientific fact. The Government have, in our view, stifled the fullest possible public debate on this issue and I say this for one simple reason, and I think it has been alluded to by the Minister, neither side of this polarised debate is satisfied with the Bill before the House and it is this Bill that the Government wish to put before the people. Both sides, for different reasons, say that it does not work. On the pro-choice side they say it does not go far enough, and I believe that they say this because the Government are simply proposing to introduce the UK law as it was amended in 1967, in a way a copy and paste, and ignoring all the evidence and the experiences of a 52-year-old abortion law, which was introduced to combat the health risks to women in the late 1960s from backstreet abortions. On the pro-life side, it would appear that any law proposed, including a law that may from a purely legal perspective appear to be unconstitutional, insofar as its application to rape, incest or fatal foetal abnormality, is still too far.

If the Government believe in abortion on demand, as their Bill intends to introduce, they should have the courage to say it. And they should also have the courage to pause, reflect and allow for our community the important opportunity to have the fullest and widest possible debate on the question of abortion. A free referendum on abortion, decoupled from this Bill, is necessary and a failure to recognise this is a failure to listen to the voice of the majority of this community.

When we speak for people in this place it is our duty to represent them. However, it is also our duty to speak for them after careful reflection of their instructions to us. I do not believe that all of those people in the middle of this debate, i.e. those who do not fit neatly into one category, people like me for instance, who have been given the opportunity to express our view on this subject because we have not been given the opportunity to express a view on this subject because the debate has only been at the two polarised ends. That cannot be right in the context of the most important decision facing our community. Let our community speak freely, and not just on the Bill.

The Government have misled the people of this community and have promoted the Bill on a false premise, that it is constitutionally necessary. However, reading the Bill numerous times shows that this law for abortion on demand is a simple copy and paste of a 52-year-old law, without proper consideration of expert evidence: evidence of the UK's experience of the 52 years; evidence from experts on moral ethics, medical legal issues and scientific ethical perspectives.

I have listened to citizens, families, the pro-choice debate and the pro-life debate I have also read, I am sure as the Minister for Justice has alluded to, academic journals and listened to many arguments which reflect on the changes made to the law of England back in 1967. Interestingly, in 1985 a veteran pro-choice campaigner argued that the 1967 Abortion Act, the very law the Government seeks to introduce in 2019, was a halfway house which handed the abortion decision to the medical professional. So you can see, by one pure example of this, that there are many arguments that have not been deployed in the context of this debate. What the Government is seeking to do is simply to introduce laws which do not seek to offend the positions of certain sectors of our community.

690 If the Government were courageous and principled and believed in their abortion on demand law they should have no difficulty in accepting the view of the people and subject the decision to the widest possible debate in an unrestrained and free referendum. If we truly allowed our people to express the view in an unrestrained referendum it may well be the case that abortion, beyond the exceptions, is not where our community is at. Conversely, it may well be the case that the public may believe that patient autonomy fertility decisions should be placed with the pregnant woman.

It is the debate that is missing here and it is the debate which has effectively been refused. What the people are effectively being asked to express is their view on this Bill and this Bill alone. The Government pray in aid of public interest but what analysis have they done to really test the moral barometer of this community in assessing how it sees abortion in the year 2019?

I commend both the pro-choice and pro-life campaigns in equal measures for their courage, passion and for expressing their beliefs and their moral judgment, which does allow for some reflection. However, not listening to all those in the middle, effectively excluding those from the debate does not allow anyone in this House the right to propose and support laws without well informed debate.

I believe that it is in the interest of this community to withdraw this Bill, publish the legal advice, and allow for an unhindered debate so that we can have the widest possible engagement with all sectors of the community. The Government are pushing through a 1967 law without a mandate, misleading the Committee on the context, which is demonstrably clear from its consultation process on the face of the Bill. They are asking the people to sanction their false and misconceived Bill that cannot and must not be the approach to this issue. The Government has sought to amend the law on an urgent basis. We cannot, until our community has fully been allowed the opportunity to debate and provide this House with its instructions. It is wrong for the Government to force through this legislation.

I urge the Government to allow our community to express their views on this subject before it is too late, and not simply to ask them to sanction a Bill which has been passed by this House. Middle Gibraltar should be allowed the opportunity to speak in a free, unrestrained referendum. The Opposition will not support this Bill, Mr Speaker. *(Banging on desks)*

Mr Speaker: Before I call on any other Member to speak I want to make clear that, given the sensitivity of this issue, and given the fact that the Hon. the Leader of the Opposition is speaking on behalf of the official opposition, I have not interrupted him, but he has been repetitive. He has said the same thing four or five times and I have allowed it, even though the Rules refer to the need not to repeat the same. You have used exactly the same words three or four times.

Now, having laid that marker that I have not interrupted you because you are the official spokesman for the official Opposition, I will not allow any other Member to do that. The moment that I find that there is unnecessary repetition of the same point again, and even the same words being used, I will interrupt the speaker, I hope that that is clear.

I would not wish to have to intervene during the course of this debate, but it is up to you, hon. Members, to ensure that that is not the case.

Now, I understand that the Hon. the Deputy Chief Minister wishes to speak but I have previously been asked by the hon. Lady that she wishes to speak and therefore I am calling on her to take the floor. The Hon. Marlene Hassan Nahon.

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

Mr Speaker, I rise today fully conscious that what we are dealing with here today is a very divisive and emotive issue. This debate and the amendment to this Bill could prove an important step towards greater protection and equality for the women of our community, a collective that for very evident and very visible reasons, I feel particularly duty bound to represent in this Chamber. It is also an issue that many in our community feel encroaches on their most fundamental moral and spiritual beliefs, and this is not something I take lightly, Mr Speaker.

It came as a wake-up call to me and so many others when the GWA proposed the decriminalisation of abortion on *The Gibraltar Chronicle* some 18 months ago. To this end, I feel I and the many women out there campaigning for a change in the law, owe a huge debt of gratitude to the GWA and Tamsin Suarez, who raised this issue before anyone else did, sparking this conversation which has led us to where we are here today.

Similarly, Mr Speaker, I take this opportunity to commend the various civil society groups from No More Shame to Choice Gibraltar, the Secular Humanist Society Gibraltar, Unite the Union and the Equality Rights Group for their tireless activism and campaigning to bring to light the urgency of this legislative change.

Mr Speaker, before I was a Member of this House I remember once describing the issue as a 'political hot potato' because I knew it was one of those that would inevitably cause controversy if it ever came to a head locally. I had not previously been a campaigner for the legislation of abortion nor had I studied in enough depth the consequences of abortions not being made available here. In fact, until the issue was unambiguously raised by the GWA I never felt like there was a social clamour to change the legislation that was evidently outdated, that did not reflect today's Gibraltar or puts us on a similar standing to the community of nations whose values we purport to share. With regard to women's reproductive rights we were a rare anachronism in Europe. Our laws were barbaric and reactionary, yet the issue remained dormant. And therefore when the topic came up I undertook a process to understand fully the controversy surrounding the abortion debate. I also realised that, as a Member of this House, I no longer had the privilege to sit back and watch political hot potatoes evolve or be pushed back into the long grass, but that I had an obligation to the people of my community to be honest about where I stood on the debate and face this political hot potato myself if I was to be accountable to the people I represent and to those who I do not.

Which brings us to the crux of the matter, Mr Speaker, and that is hypocrisy. Nothing else explains this ridiculous incongruent other than plain, simple hypocrisy. As all of us in this House and outside know full well that Gibraltar is a stone's throw away from a jurisdiction that has amply recognised women's reproductive rights in this respect. If a woman wants an abortion she can drive 20 minutes across the border and have it, and so they do, and so they have for generations, and this is something that we all know about, but we choose to look the other way.

Mr Speaker, abortions happen, it is a fact. They have been happening for millennia. Evidence of abortions goes back to the classical era, with Greek and Roman texts supporting this historical fact. As far back as Plato's *Theaetetus*, he mentions a midwife's ability to induce abortion in the early stages of pregnancy. Mr Speaker, women since thousands of years back, have sought ways of ending pregnancies they did not want or did not feel ready or able to carry.

Because let's not underestimate the significance of embarking on motherhood, Mr Speaker. Motherhood is a life-changing experience and women through the ages have sought ways to end their pregnancies when they have felt that they simply were not ready for it, when they have fallen pregnant unexpectedly, when they have had no money in the bank and have not been able to feed themselves, let alone another human being who would be brought into a life of suffering only to experience an underprivileged lifestyle in a difficult and competitive world. When a teenager or even an adult woman has been raped and does not wish to give birth to a child born out of such a despicable act, when a woman has been in a controlling and abusive relationship and knew that bringing a child into this world would only make him or her a victim of her circumstances. When a woman already has children and knows that having another child will mean she cannot meet their needs. When a woman has been confirmed to be pregnant with a baby presenting syndromes simply not compatible with life, like Edwards Syndrome, anencephaly, massive hydrocephalus, or simply when a woman has known that motherhood is just not for her at a given moment.

And yet, in Gibraltar, like everywhere else this eventuality, which let me add, Mr Speaker, is not taken lightly by the vast majority of women who undergo abortions, is punishable with life imprisonment. And although we know that women in Gibraltar have not gone to jail for aborting

because they have not actually aborted in Gibraltar, the fact that the law stands as is perpetuates a stigma and a charge on them which is simply archaic, patriarchal and totally out of line with best international medical practice, as endorsed by the World Health Organization.

There are lobbies of people, as we well know, fighting for the unborn but I am here to fight for the born and living, Mr Speaker. My duty as a woman and a Member of this House is to put forward the argument that first and foremost favour those of us living in the world here today, those of us with a history, with memories, with traumas, with experience, with reason, with families and relationships and with what should be the autonomy to do what we require with our own bodies.

And despite these lobbies accusing me of not having a mandate because this topic came up during the life of this Parliament and is not emboldened in anybody's manifesto, this is what I have to say to them: the democratic process does not just depend on a booklet from four years to four years. Societies evolve in between electoral cycles and this is what Parliament is there for. There are plenty of other Bills on matters that have come to and continue to come to this Parliament which were not even thought of or inscribed in manifestos at election time.

Further, for those out there who will throw at me that I stood with a party that today is largely espousing anti-choice policies, even though they still do not actually spell out where they stand because they talk about a referendum but then they do not want a referendum and they do not even know what to do. *(Banging on desks)* I will say this to them, to allay their frustrations about my stance: even if I were sitting with the GSD here today no one in the GSD would have ever persuaded me or whipped me into casting my vote here to deny women access to safe, legal and local abortions. *(Banging on desks)* I would have always – regardless of which side of the House I was sitting in, or who would be leaning on me to appease certain voter demographics – have stood up for women's reproductive rights. And maybe it would have been this very Bill which would have by now led me to have had to leave the party anyway on a point of principle. So it is just as well, Mr Speaker, that I already have. *(Laughter)*

Further, I believe that the most crucial aspect of this debate is for our political class and our Members of Parliament to be honest with themselves and with those that they represent. And similarly, with those that they do not represent, who form part of our society and are entitled to a clear view. All too often during this debate we have heard politicians on this side of the House flip-flopping on this issue so as not to lose their sway with certain anti-choice lobbies. They have said one thing one day and another thing another day, all to secure their conservative vote while simultaneously trying to appeal to the more forward thinking and pragmatic members of the electorate, Mr Speaker, and that is grossly dishonest and certainly not what the electorate pays us for.

Today, no doubt, a lot of these lawyers over here will be continuing to lock horns on legalities and clauses and judicial reviews using their long words, that nobody understands, to win their argument without the minimum regard for what this is really all about and who it affects.

I have come to make several enemies during the course of this debate, Mr Speaker, some of whom were great friends once upon a time and no longer look at me in the face. It has been a difficult journey for me, but at least even those who intensely dislike me today and disrespect my views on the issue will know that I was always honest and forthcoming and not opportunistic and sly because that is exactly what Members of this House do not have a mandate for, Mr Speaker.

So obviously, as you can see, I am vehemently pro-choice and it is funny to hear the Leader of the Opposition asking me, of all people – *me*, the one Member of this House who has been clear from the beginning – to explain my stance, when I have been the one who has been clear from the beginning. But I will unpack the issue regarding the referendum stance from a year and a half ago at the right juncture when we talk about the commencement clause on referendum.

So my particular stance explains the full extent of what this position really means. Believe it or not, Mr Speaker, I would never have an abortion myself. I am a proud mother of four children and despite having had to overcome the typical challenges of motherhood and the workload

that comes with having a large family I have always had a strong support network and the means necessary to provide for my children. Ultimately, it has been *my* choice as to how to exercise my reproductive rights. However, I do not consider that I have the right to tell other women, many of them subject to multiple vulnerabilities, what to do with their own bodies. This is the essence of being a pro-choicer. Those on the other side of the debate brand pro-choicers as pro-abortion, and that is simply a twisted analysis of the pro-choice position. Pro-choice is just that: respecting and not judging other women's decisions or reasons for what they feel they need to do with their own bodies. This is about trusting and respecting women, Mr Speaker, just like all the data and research tells us we should, and not about promoting abortions.

Mr Speaker, even if the law is changed so that abortion is available in Gibraltar, the religious beliefs of the people in Gibraltar will continue to be respected. Medical professionals are not required by this Bill to act in contravention of their conscience. Nobody, of course, will be required to have an abortion but neither will people be denied the ability to access essential reproductive health care in their own health service because that procedure is considered morally or ethically unacceptable by some people who hold a certain set of religious beliefs. Those beliefs are, of course, respected by all of us here but they are not and should not be the basis of law making. That should be based on compliance with Human Rights law, alignment with international best legal practice, international best medical practice and the democratic entitlement of women in this country to equal treatment in law, including access to the reproductive health care that they should need.

I also believe that the judgemental element of this debate has to be left to one side in order to come to an objective place when legislating. The way I see it, Mr Speaker, that is precisely what lies beneath the ethos of the anti-choice campaigners. Like I have said before, I myself am against abortion in principle but I only feel justified to go as far in that decision for myself and myself alone. And perhaps it is my own social circumstances and conditioning that have led me to take that decision for myself because if I fell pregnant I have the ways and means to bring a child into the world, I myself have a support system, a loving family, financial backing and a stable job – well, for now anyway. *(Laughter)*

But the point is that my set of circumstances does not apply to all women and therefore I am no one, Mr Speaker, in my relatively privileged position within this community, to impose motherhood on those who may not be so fortunate or ready to embark on motherhood. And that is what lies at the crux of this debate, separating the element of judgement and imposition between oneself and others. It is not about wanting more abortions or being 'abortion happy'.

Mr Speaker, on the contrary, since the start of this debate, over a year ago, I have always said that the aim of legislating is twofold: keeping abortion safe and rare. But I firmly believe that this debate has to be health care led and not judgement led.

Therefore, Mr Speaker, I believe it is incumbent on us in this House to really unpack the effects of what abortion legislation actually brings to a community in order to properly diagnose what we are effectively getting ourselves into.

Banning abortions does not stop abortions. Banning abortions just stops safe abortions. Banning abortions simply drives abortions underground, creating risks for women who for whatever reason cannot continue with their pregnancies and take desperate measures to try to end them. Many of those women are already mothers, and by compelling them to take unnecessary risks to end their pregnancies we jeopardise also the families and happiness of those living, breathing children.

The only way to make abortion rates decrease is by making abortion less necessary through properly supporting parenting and safe and consensual sexual lives. In order to do this, as the legislation is passed, the following measures should be introduced in tandem: firstly, the introduction of mandatory sex education for all children is imperative, as is the provision of free contraception in primary healthcare. Introducing these policies across schools and our Primary Care Centre would go a long way to minimise unwanted pregnancies. This sex education should extend to boys and men in a way that teaches them to take responsibility for their actions and to

treat sex and sexuality as emancipatory and joyful, when undertaken with full consent and care between persons who treat one another with dignity, respect and equality.

900 We suffer, Mr Speaker, in our community from a culture that blames women and girls when unwanted pregnancies and subsequent abortions arise, while boys and men lie on the sidelines with respect to taking responsibility in respect of these pregnancies. Healthy reproductive and sexual lives are to be aspired to, and achieving this requires both boys and girls, men and women to become educated and empowered to be respectful and responsible parts in equal
905 and loving sexual relationships.

Further, in the course of the last year and while the abortion debate was played out in our social media playgrounds, I noticed more than ever how prevalent the blame culture is on the topic of sexual assault, where the victim is often blamed because she was 'wearing provocative clothing' or by default consenting because 'she was drunk'. We are duty bound to rectify this
910 culture of blame on our women, which then in turn stigmatises her and does very little to minimise the illicit actions by the men who assault them.

Mr Speaker, the anti-choice lobby would also do well to campaign to close the wage gap where in Gibraltar women earn a staggering 22.5% less than men, the highest gender pay gap within the EU I must add, before condemning women to a pregnancy they are not ready to carry
915 to term. They should also campaign, as I do regularly, for mental health services to be boosted for a cohesive and robust drug strategy to come into place and for women enduring domestic violence issues to be taken into a safe space where they will not fall pregnant under duress and as a means of controlling them. These are the issues the anti-choice lobby should be espousing before judging and shaming women for their decisions not to continue with a pregnancy.

920 Mr Speaker, I think everyone in this place is agreed that what we want is for abortion to be used only when absolutely necessary and for people who wish to be parents to be able to. And that requires social and economic reform on which we can and should work together. Expending energy on trying to prevent the legalisation of abortion, in limited circumstances, does nothing to address why people feel unable to continue with pregnancies, putting energy there truly would be pro-life politics.
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I have further comments by way of amendments on the issues raised by this piece of legislation which I shall be going into depth on when I propose such amendments in committee stage, Mr Speaker. For the record, I shall be voting for this Bill but will be voting against the commencement clause dependent on a referendum at committee stage, where I will also make
930 my reasons for this decision known to the House.

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

Mr Speaker: The Hon. Dr Joseph Garcia.

935 **Deputy Chief Minister (Hon. Dr J J Garcia):** Yes, Mr Speaker.

First of all I want to thank my hon. Friend and colleague, the Minister for Health and Justice, for the well-argued, clear, coherent and eloquent exposition of the Government's position on this issue. **(A Member:** Hear, hear.)

I think there can be no doubt that the arguments on different sides of the abortion debate
940 are based on beliefs that are genuinely held. I use the term 'different sides' as opposed to 'both sides' for it is clear to me that perhaps there are more than simply two. This is not black and white, it is not a simple yes or no. There are some people against legal provision for abortion at all, in any circumstances. There are some who would agree with abortions taking place only in limited defined conditions. There are also some who believe in abortion on request or on
945 demand. There are others still who would support abortion in limited circumstances before a prescribed number of weeks. Indeed, the number of weeks appears to me to be the subject of a totally separate debate in itself.

I will not claim, Mr Speaker, to be an expert in any of this, neither am I a lawyer. I would note though that the variety of opinions on the subject is reflected in the way in which such

legislation has been adopted internationally. The House knows that abortion laws vary widely from country to country. Two countries in Europe, Malta and the Vatican, have banned abortions completely. In Latin America, the Dominican Republic, El Salvador and Nicaragua have the same position. Some countries provide for abortion on request. This includes places like Austria, Belgium, France, Germany, Luxembourg, the Netherlands and Switzerland to name but a few. Others have chosen to allow abortion but to define the circumstances in which the procedure can take place. This could be, for instance, where there is danger to the life of the woman, where there is a threat to her physical or mental health, in cases of rape or in cases of incest.

It is clear that the passion and the intensity of the debate in Gibraltar matches the passion and the intensity of the debate elsewhere. However, we should not make the mistake of thinking that we are the centre of the world on this, or that somehow what we choose to do or indeed not to do here will change the planet. The world, Mr Speaker, has generally rehearsed these arguments long before we have done, because the truth is that this debate has taken its time to reach Gibraltar. And I say that as someone who has served in this House now for over 20 years and as someone involved in active politics continuously for more than 28. I do not think that anyone in favour or against decriminalising abortion has ever written to me until now. That is why I said earlier that I would not claim to be an expert. There has been certainly, so far as I am aware, no historic record of lobbying of Members of Parliament on the subject. There has been no need to prepare consultation papers. Abortion was, as the hon. Lady rightly said, simply not talked about. The existing discussion, with all its passion and intensity, has arisen from nowhere, almost out of the blue.

The current debate, Mr Speaker, is nonetheless, of course, very welcome as is the level of interest in the proceedings of this House. Sadly it is rare that the public should take such an interest in our agenda. But what has changed? Why is this an issue here now? The truth is that women resident in Gibraltar who have wanted or needed an abortion have had this performed abroad for decades. I am not aware of anyone who was faced criminal charges for having done so. Therefore the debates cannot ignore the fact that this has been happening already. It has just not been happening here, in Gibraltar. Indeed, for decades there have been probability tests, pregnancy tests conducted or offered to parents as a matter of course with a silent option of termination depending on the results.

The narrow argument before this House today, as I see it, is about whether such abortions should be regulated so that they take place in Gibraltar instead of taking place abroad. **(A Member: That is right.)** And I ask the question, is there any reason to believe that by making provision for such abortions to take place here there would be more of them? **(A Member: No.)** Because surely that must be the crux of the debate, would those women who choose to have an abortion today proceed with such an abortion anyway and would those who will choose not to have an abortion continue to hold the same view? Therefore would more women choose to have an abortion if we legislate for these to be provided locally? I will not pretend for one moment to know the numbers, nobody can. What I can suggest is that the desire for anonymity may very well drive resident women abroad anyway, whether we have the legal framework in place or whether we do not. **(A Member: Agreed.)** In those circumstances a substantial amount of the argument would be academic.

Mr Speaker, it is not easy to remove emotion from all this. We are dealing with an issue that raises emotional reactions on different sides of the debate. I do believe, however, that we as legislators should nonetheless try to remove the emotion and concentrate instead as much as we can on the cold facts. That is our duty to the people that we serve. I repeat that this is difficult. We are dealing with fundamental questions like the rights of the unborn, questions like the rights of the mother and questions about the very origin of life itself. I have to say that the advent of social media has created a series of armchair experts on every conceivable topic under the sun, unsurprisingly including this one, and not only in Gibraltar.

When I started in politics social media did not exist. Anyone who felt strongly enough about writing would vent their frustration by writing to the local press, posting a letter or sending it by fax and waiting for it to be published. There was also an editorial filter in place. Nowadays many people comment on any issue instantly. This often happens in the heat of the moment, and sadly sometimes with little or no respect for those who may hold a different point of view. I would submit, Mr Speaker, that particularly in this debates strongly held opinions should be expressed with the utmost respect for those who think differently, and may I add perhaps not only in this debate. **(A Member: Hear, hear.)**

In recent times Gibraltar has probably seen more debate and consultation on the question of abortion than on any other matter. **(A Member: Hear, hear.)** *(Banging on desks)* I know that my colleagues in the Inter-Ministerial Committee have held a number of lengthy meetings with individuals and with groups representing different views. I purposely chose not to meet with anyone. Instead I have read the relevant material and have considered the matter seriously and carefully. But our inboxes, Mr Speaker, have been flooded with emails, often with opposing views, from Gibraltar but also from abroad. Some of them well-meaning, most of them well-meaning and indeed well-argued. **(A Member: Hear, hear.)** Others more arrogant and patronising in their tone. **(A Member: Hear, hear.)** All this forms part of a legitimate debate.

The House knows that a detailed Command Paper was published last year. Over 100 responses were received to the consultation. The Government said at the time that it would consider the submissions and consult further before the publication of the Bill. We have heard that yet another consultation process ensued and the Bill was published finally on 25th April. It therefore beggars belief for the hon. Member to say that there has been no consultation and no discussion. *(Banging on desks)* I have been here for more than 20 years and I have never seen so much discussion on one subject.

The Bill contains a number of amendments which precisely followed the consultation that had taken place. No one can possibly argue that the Government has not listened. I have to say that my colleagues on the Inter-Ministerial Committee have done a magnificent job in distilling the issues, certainly for somebody like me. I would not pretend to be an expert, as I said, in any of this. However, I can safely say that whatever decision this House takes it will be taken with the utmost respect for all the sides of the argument. And some, Mr Speaker, will agree with that decision, others will not, that is their rights.

I posed a question earlier as to why all this should be an issue now, at this moment in time? Gibraltar resident women, I said, have had abortions performed abroad for decades. The only difference now is that the procedure has taken place in a different country. No doubt part of the reason might be a concern that a difficult border post-Brexit might somehow prevent women from going to Spain for an abortion. There is also the realisation that our current law is no longer compatible with the Constitution and with the European Convention on Human Rights. This is not an argument which rests on a moral position or on a religious point of view, it is an argument based on a legal reality.

It has been argued that the view expressed by those judges of the UK Supreme Court on the law in Northern Ireland is not a binding declaration of incompatibility, but I ask how far can the opinion of those judges simply be ignored and cast aside now that we know it – the cold facts, Mr Speaker, that I referred to earlier. So now we have legal arguments to be added to the melting pot along with a wide variety of other different opinions.

The Bill before the House sets out a proposed legal framework to regulate and provide for abortions to take place in Gibraltar. The Government, as I have said, has listened very closely and very carefully to the different views put across in arriving at the text contained in the Bill. Given the nature of the issues at stake, and the explanation given by my hon. Friend, it makes perfect sense for this Bill, if passed by the House, to be put to a referendum of the people of Gibraltar so that they can decide whether it should be commenced or not commenced. What would not make sense, Mr Speaker, is what has been argued today: to put the basic principle of abortion yes, or abortion no, to a referendum. There is a need to define precisely what is meant

by abortion, and this is exactly what the Bill does. (**A Member:** Hear, hear.) A referendum on the basic premise of whether or not abortion should be decriminalised in Gibraltar would raise even more questions in the event of a positive vote. How many weeks? In what circumstances? At what location? Authorised by whom? Indeed, Mr Speaker.

Members will recall that this is exactly what happened with the Brexit referendum. (*Banging on desks*) There was no clarity in June 2016 as to what leaving the European Union actually entailed, people did not know the detail of what they were voting for. This has been a major criticism of the Brexit referendum, both in the United Kingdom and here in Gibraltar itself, including in this House. That is precisely why there are now calls for another referendum on the UK EU withdrawal treaty and on the future relationship.

Mr Speaker, clearly we are dealing with a different issue today, but the overarching principle is the same one. (**A Member:** Exactly the same.) Any public vote needs to be on the detail. It is not enough to hold a vote on the general principle of whether or not to provide a legal framework for abortion. The House needs to spell out exactly what we expect the people of Gibraltar to support or to reject in commencing on not commencing the Bill. We cannot repeat the same mistake that the UK made in 2016. Mr Speaker, the Government has spent many months listening to the views of different sectors of the community. That intense consultation has led to the Bill before the House today. As often happens with these issues, it may even go too far for some and not far enough for others. So now let the people decide whether or not the Bill should come into effect.

Thank you, Mr Speaker.

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

Mr Speaker: The Hon. Daniel Feetham.

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

I am going to be outlining our views on the legal position in respect of abortion laws as they stand and what in our view are the legal issues involved.

Now, I do so not because I enjoy being or acting the lawyer – I have enough time doing so outside of this House, to do so also in this Parliament – but because the Government comes to this House and the Government says, ‘We are here with this Bill because we are compelled by the law, the Constitution and the European Convention on Human Rights to do what we are doing today. That is the basis, this is the reason why we are here today.’ If the Government – and indeed politics is about making and defending decisions, Mr Speaker – had said, as the hon. Lady has said, ‘We believe in abortion on demand, for all the reasons that have been expressed by various individuals including the hon. Lady and therefore we are presenting this Bill because that is what our policy is’, then of course there would be no need to talk about the legality, except perhaps on a peripheral basis. But the reason why we are here today, Mr Speaker, is because they have told the people of Gibraltar, ‘This is what we are required to do by the Constitution.’

Before I take the House to the legal analysis, I want to make a number of preliminary observations. The first observation is this, Mr Speaker, of all the debates that certainly I have formed part of in this Parliament, this has been the most difficult, and I know that a lot of Members in this House feel exactly the same. It is a debate that obviously polarises opinion, and it is a debate where our own personal beliefs and our own life experiences also shape the decisions that we are all taking in relation to the position that we take on this particular issue. I do not want it to be said by anybody that I am personally hiding behind any legal issue, because I believe that people are entitled to know what my personal beliefs are in relation to abortion. I am against it, Mr Speaker. That is my own personal position, I speak for nobody on this side of the House, that is my own personal position.

1105 It is my own personal position, Mr Speaker, because I believe that life starts at conception and therefore having come to that conclusion it is then very difficult for me to support a Bill that effectively allows for abortion on demand. And, of course, I am a middle-aged man and I accept that, a million miles away from the type of very difficult decisions that women in this kind of situation have to go through in making a decision whether they do or they do not have an abortion. But I am also a legislator, a Member of the legislature, and therefore if a Bill comes to 1110 this Parliament asking me to vote on it, my own personal beliefs obviously are going to shape the way that I vote and I cannot support a Bill that allows for abortion on demand. It has nothing to do with left or right or socialism or conservatism. In fact, this particular debate cuts across the political divide.

1115 Also, when I say that it is shaped by personal beliefs and life experiences, not only is my view shaped by the fact that I believe that life starts at conception. My mother became pregnant at the age of 17, she had to get married in what colloquially is called a 'shotgun wedding' and ended up divorced 10 years later. This is my own personal view, I do not want to deprive other unborn children of the opportunity to live fulfilling lives or perhaps less fulfilling, depending on what view you take of my life! But, Mr Speaker, I do not want to be part of a vote that effectively 1120 votes for that. That is my own personal view, I make it public, people can judge me, people can vote for me or against me on that basis. I do not hide behind the legal analysis that I am going to be making in due course.

But I also say this, Mr Speaker, whatever my personal views are, as I have outlined them, if I felt that the current law on abortion was unconstitutional I am here to uphold the Constitution and the rule of law and I would have no hesitation – (A Member: Hear, hear.) having told you what my personal views are – absolutely no hesitation, in voting for a change of law if I felt that the Constitution required a change of the law. I do not, for reasons that I am going to develop in due course. And indeed, there is an inherent contradiction, if I may say so, in the Government's position. I do not want to be unduly political about this because I think this is a debate that 1130 transcends politics completely, but there is an inherent contradiction in the Government's position, because what the Government are saying is, 'We are being compelled by the Constitution and the European Convention on Human Rights to introducing this Act.' On the one hand, on the other hand it is saying, 'But we are going to put it to the people of Gibraltar in a referendum.' Mr Speaker, if there is a constitutional compulsion to do something you do not put 1135 it to the people of Gibraltar in a referendum, it is inherently contradictory, Mr Speaker.

I have a lot of sympathy for some of the views that have been expressed by the Hon. the Deputy Chief Minister when he said – and it is tied to this particular point – there may be more than two positions, there may be a third position, there are a variety of positions. It is a view that has also been expressed by the Leader of the Opposition. And I think that gives rise, Mr 1140 Speaker, to how I believe that we ought to be proceeding, which is the Government ought to be seeking in relation to our Act, the one that exists, the Crimes Act, a declaration of compatibility in the Supreme Court. Let the Supreme Court – the law allows for it – tell us whether the law is incompatible with the Constitution. Because if the court comes back and says the law is compatible, it is not incompatible, then we are in a different ballgame altogether, Mr Speaker.

1145 Indeed, I do not agree with the Government when the Government says, 'Well, there is an issue with rape, fatal foetal abnormality and incest but we cannot legislate for those specific areas.' I believe that it is possible to legislate for those particular areas. But if the Supreme Court came back and said these are the areas where the law is or is not compatible then, of course, we could then go – if the Government chose to do so – to a referendum and ask not one question or 1150 two, but perhaps even three options. Because you see, Mr Speaker, you cannot go to a referendum on something that the Constitution requires you to do, that is inimical to our obligations as parliamentarians. The Hon. the Minister for Justice spoke about the rule of law. If you take the view that it is unconstitutional it is unconstitutional, you have got to change the law. You cannot ask people, 'Do you want us to change the law in order to comply with the Constitution?' But the court may come back and may say our law is completely constitutionally 1155

compliant, and the Government may take the position, well actually, what we want to do is to have a referendum asking the same question as, for example, people in Ireland were asked but we also have a third way, even though we are not constitutionally compelled to do so, but we are asking the people of Gibraltar whether they want abortion in cases of rape, fatal foetal abnormality and also in the cases of incest.

What I am getting at, Mr Speaker, is that without actually knowing what the true position is legally it is very difficult to be having the type of debate based on the premise that the Government comes to this House justifying this Bill, which is that the law at present is not constitutionally compliant.

The final observation that I make, before I drill down into some of these legal issues is this; the Northern Ireland case, Mr Speaker, was about very exceptional circumstances. It was about abortion in the case of rape, incest, fatal foetal abnormality, i.e. where the child will not survive. That is what the Supreme Court in the Northern Ireland case was dealing with; and not about abortion on demand. The proposed Bill on abortion is essentially based on the English Abortion Act, which in practice has meant, in the United Kingdom, abortion on demand. There is no legal basis for the assertion that the Northern Ireland case requires Gibraltar to legislate in order to provide for abortion on demand, Mr Speaker.

That is not an argument that is based on a technicality. I am not saying that the Supreme Court case in Northern Ireland is not binding in Gibraltar. I do believe that that is the case too; it is not binding. But in fact what I am saying, Mr Speaker, goes further than that. I am saying it does not justify what the Government is attempting to do today in attempting to pass this Bill through the House.

When assessing the legal issues, there are two principles that we have always got to bear in mind when dealing with human rights, but in particular human rights in the context of abortion. The first – and I will develop that in a moment – is that it is very fact specific. So there was always a limitation, indeed, as to how far you can just simply pick out a case, the Northern Ireland case for today's purposes, and say, 'Because of that case the law in Gibraltar is unconstitutional'. I will develop that in a moment.

The second point is that, as the Hon. the Minister for Justice has explained, but not quite correctly, Mr Speaker, there is a margin of appreciation. The Government yesterday, in its press release, said there is a limited margin of appreciation and the Hon. Minister has repeated that today. In fact, all the cases that have been decided in the European Court of Human Rights and indeed in the Supreme Court in the Northern Ireland case have not said it is a limited discretion. It is a wide discretion, Mr Speaker. That is what we are talking about in the context of abortion laws and considering whether abortion laws are constitutional or not constitutional. Indeed, the words used are large measure or broad measure. That is not a limited measure, Mr Speaker, and again I will take the House through some of the cases.

But just dealing with the fact sensitive, the first point – fact sensitive. Now the hon. Lady, and indeed, reflected as well in the observations of the Hon. the Deputy Chief Minister, they both said we are a stone's throw away from an abortion clinic in Gibraltar. The Hon. the Deputy Chief Minister said in 28 years that he has been involved in politics, *no one* had ever, prior to a year and a half ago, complained about the state of our abortion laws and indeed the House has got to ask itself why, and this has an impact on whether our laws are constitutional or are not constitutional for this reason.

In Northern Ireland, women in Northern Ireland had to travel across the Irish Sea – and I am not justifying the law, I am just testing the law on whether it is constitutional or not constitutional, these are the factors that the Supreme Court considered. They had to travel across the Irish Sea to England, stay in a hotel, have the abortion; much more increased costs, much more detrimental for women. Now, here in Gibraltar, Mr Speaker, there has never been a complaint about our abortion laws and one has to ask why. If you stand here, just outside this Parliament, you are walking 45 minutes away from the nearest abortion clinic in La Línea – 45 minutes away. Our law does not have extraterritorial effect, so anybody that goes from

Gibraltar and has an abortion in Spain is not committing a criminal offence by having an abortion in Spain.

1210 Here in Gibraltar, the Hon. the Minister – I did not know, but the Hon. the Minister, said that since 1997 (**Hon. N F Costa:** At least.) I apologise, since at least 1997 he said that the GHA was funding certain terminations. He also, I know from my own conversations with him as he has told me, that there are pre and post care and counselling facilities here in Gibraltar that were not available to women in Northern Ireland. Now, you can criticise the law, as the hon. Lady has
1215 done, for being hypocritical. She says, ‘Well, the law that allows somebody from Gibraltar to walk those 45 minutes to Spain, and have an abortion in Spain, but does not allow it in Gibraltar is hypocritical.’ Look, I think that it is a legitimate criticism of the law. The flip side of that is, of course, that our laws reflect the moral values of the community and there are many in this community that do not want the facilities of the GHA to be used in order to abort healthy
1220 children, Mr Speaker, as they see it.

Therefore there are two different competing views in relation to whether our laws are hypocritical or whether in fact our laws are a reflection of the moral values of the community. But the point that I am making, because of course I am talking about the legal position, is that all those factors, when taken together, Mr Speaker, they take this case out of the factors that were
1225 being considered in Northern Ireland, or at the very least, the analogies that have been drawn in the Northern Ireland case by the Supreme Court cannot just simply be taken to apply to Gibraltar lock, stock and barrel, that is the danger.

Now, if that was the only point that I would make on the legalities of our law, I would not be making them, Mr Speaker. But there is another point – that is the margin of appreciation. Testing the legality of abortion laws of any country involves an examination of its moral values. The Hon. the Deputy Chief Minister said it is not about morality. Actually, if you look at the legality, if you are testing the legality, it is about the morality for this reason: this is an area where the European Court on Human Rights has consistently held that countries are given what is referred to as a broad margin of appreciation when balancing the protection of Convention
1230 rights, for example, the right to private and family life, with a general interest of the community. In other words, countries are afforded a large measure of discretion to derogate from convention rights in certain circumstances where those countries feel that the public interest justifies it. In the case of *Re G [2009]*, which is a case decided where one of the judges was Lord Mance, who was also a judge in the Supreme Court case in Northern Ireland, he said that the
1235 margin of appreciation is rooted in the respect due:

to the decisions of a representative legislature and a democratic government within the discretionary area of judgment accorded to those bodies.

The decisions of those legislatures or governments in the public interests are in turn a reflection of the moral values of the society whose abortion laws a court is considering, Mr Speaker.

I will give the House an example: in *Open Door Counselling and Dublin Well Woman v. Ireland*
1245 – that is a 1992 case in the European Court of Human Rights – it found that the protection afforded under Irish law to the right to life of the unborn was based on a profound moral value concerning the nature of life which was reflected in the stance of the majority of the Irish people against abortion in the 1983 referendum. The abortion law in that case was found to pursue the legitimate aim of the protection of the morals of which the protection in Ireland of the right to
1250 life of the unborn was one aspect.

Indeed, the European Court of Human Rights has consistently demonstrated a huge awareness of the sensitivity of this topic. It is never interpreted, *never, not once* – and anybody in this House disagrees with me can refer to the case where I am to be proved wrong – not once, has the European Court of Human Rights ever interpreted the

1255 European Convention as requiring contracting states to introduce laws permitting abortion either generally or in relation to particular categories.

In the seminal case of *A, B and C v. Ireland*, which was a case in 2010 – and I digress, but I should also inform the House of this: I was the Minister for Justice that introduced the Crimes Act. When I introduced the Crimes Act I sought advice in relation to certain aspects of the Act, and one of the aspects that I sought advice was in relation to abortion. The advice that I received was that the law as we proposed to enact, which was an enactment of what was already there, was constitutionally compliant and compliant with the European Convention on Human Rights, and the case that was cited in support of that proposition was this case that I am referring the House to: *A, B and C v. Ireland*.

1265 The Court there observed that, and I quote:

State authorities are in principle in a better position than the international judge to give an opinion [not only] on the “exact content of the requirements of morals” in their country,

but also:

... on the necessity of a restriction intended to meet them ...

That is at paragraph 232. It then continued, again I quote:

There can be no doubt as to the acute sensitivity of the moral and ethical issues raised by the question of abortion or as to the importance of the public interest at stake. A broad margin of appreciation is, therefore, in principle to be accorded to the Irish State in determining the question whether a fair balance was struck between the protection of that public interest, notably the protection accorded under Irish law to the right to life of the unborn, and the conflicting rights of the first and second applicants to respect for their private lives under Article 8 of the Convention.

Mr Speaker, the Northern Ireland case decided last year by the Supreme Court did not alter that basic legal analysis. When you analyse the judgments of all the judges that said that there was an infringement under Article 8 ... because under Article 3 there are separate considerations but, I think from memory, there was only one judge that said there was an Article 3 breach, there was a majority that indicated that there was an Article 8 breach. And there is a distinction between the two that again I perhaps ought to mention to this House. Article 3, Mr Speaker, is a right not to be subjected to torture or inhumane types of behaviour. There is no balancing act in relation to that. If there is a breach of Article 3 you cannot trump that by the public interest. The public interest only comes into play in relation to Article 8, when you are balancing the right to family and private life of the woman with the public interest. That is why Article 8 is important.

When examining the case, the Supreme Court, all the judges that decided there was a breach, essentially found that there was persuasive evidence that was placed before them that the Northern Irish people were in support of abortion in relation to the limited circumstances. That is the evidence that was before those judges. So on the basis of that evidence they were then able to conclude that the moral values of the people of Northern Ireland were in favour of a change in the law. That is what made it in breach of the European Convention on Human Rights, because the margin of discretion that is given to a state is a reflection of the moral values of that country, not the moral values of countries internationally. That is the reason why, Mr Speaker, in relation to abortion, Ireland was able for many years to maintain a separate position to the vast majority of other European countries.

You look at the moral values to decide whether something is in breach of the European Convention on Human Rights – you look at the moral values of that state; moral values that effectively are enshrined in law, protecting the rights of an unborn child is something that is in the public interest and does trump the right of an individual under Article 8. That was the essence of those decisions that I have taken the House to a few moments ago. But I want to draw attention to passages from the Supreme Court case, which is the case that the

1295 Government is relying upon in support of the contention that they are compelled to do what they are doing today. If one looks at paragraph 22 first of all; that is the decision of Lady Hale. She decided that there was a breach and she said this:

Where there is no consensus of opinion among the member states of the European Union, the Strasbourg court will usually allow individual member states a wide (though not unlimited) “margin of appreciation”...

So it is not limited, Mr Speaker. This is a judge that decided, effectively, what they are saying that they have to do. She is saying:

... a wide (though not unlimited) “margin of appreciation” when undertaking such balancing exercises.

1300 **A Member:** ‘Not unlimited’ means limited.

Hon. D A Feetham: Not unlimited, absolutely – not unlimited but wide. (**A Member:** Wide.).

Then she went on to examine the case of *A, B and C v. Ireland*, and at paragraph 24 she said this, and I quote:

The position in this case is quite different.

1305 She was talking about how public opinion in Ireland had been against a change in the law. That is why the European Court of Human Rights had decided that the laws in Ireland, pre the last referendum, was not against the European Convention of Human Rights. She says this:

The position in this case is quite different. In the first place, there is no evidence that the profound moral views of the people in Northern Ireland are against allowing abortion in the three situations under discussion here. Quite the reverse. There is a remarkably consistent series of public opinion polls showing majority support for abortion in these circumstances. The most recent survey was a serious academic study, more rigorous than a conventional opinion poll (the results of the Northern Ireland Life and Times Survey are set out in para 110 of Lord Mance’s judgment). This evidence cannot be lightly dismissed when the argument is that profound moral views of the public are sufficient to outweigh the grave interference with the rights of the pregnant women entitled in making them continue their pregnancies ...

1310 So effectively what she is saying there is, ‘There is evidence before me that the moral values of the people of Northern Ireland were not the same as the moral values of the people of Ireland’, essentially. And I will come back to that in the context of Gibraltar in a moment.

1315 Then, Mr Speaker, if we then turn to Lord Mance’s judgment which is at paragraph ... Well, the relevant paragraph I want to draw the House’s attention to is paragraph 110. Lord Mance then said this about moral values, the reflection of the moral values and society, said, ‘On the other hand,’ – again, he is examining the position of Ireland and then he turns to Northern Ireland:

On the other hand, the Commission now submits that there is a strong public support for Lord for changes in the law. A poll commissioned by Amnesty International in 2014 found that respectively 69% 68% and 60% of those polled people considered that abortion should be permitted in rape, incest, fatal foetal abnormality. In 2017 the Northern Ireland Life and Times Survey, a joint project of Queen’s University, Belfast and the Ulster University, reported on the results of a survey undertaken in 2016, which showed the following percentages definitely or probably in favour of permitting abortion in the following situations:

Mr Speaker, he then goes through the fact that the survey had shown that in Northern Ireland public opinion was in fact in favour of what the court was considering. In other words, should the law be legalised in those three limited circumstances.

1320 And again, if one then looks at Lord Kerr, with whom Lord Wilson agreed, paragraph 321, he says this:

Clearly, therefore, the Strasbourg court in *A, B and C* considered that it should continue to deal with the question of justification of the restrictions on abortion in Ireland on the basis that they reflected the “profound moral

values” of a majority of the Irish population. Whether that was justified on the basis of a referendum held 28 years before in which only 53.67% of the population voted is at least questionable but, in any event, no such assumption may be made in respect of the population of Northern Ireland. For the reasons that I have given, the vote in 2016 in the Assembly cannot be taken as an indication that the majority of the elected representatives opposed reform. To the contrary, it is evident that a majority was prepared to contemplate an amendment of the current law. For that reason alone, *A, B and C v Ireland* cannot be regarded as a significant decision in the present case.

And again, went through the opinion polls and all the surveys and all that body of evidence that indicated that public opinion in Northern Ireland was different to public opinion in Ireland.

Mr Speaker, there is also a fundamental distinction between the position in Northern Ireland with a position in Gibraltar that is also recognised in this judgment – comes through in this judgement – and it is this; that those judges that decided that there had been an infringement, they remarked on the fact that in Northern Ireland you could not have a referendum on this particular issue. That is not the position in Gibraltar, hence why they were paying so much importance to public opinion polls and surveys that had been conducted by a number of bodies.

Mr Speaker, you cannot, therefore, not only because human rights in the context of abortion laws are very fact sensitive, but also because abortion laws, when you come to consider whether abortion laws are constitutionally compliant or whether they comply with the European Convention on Human Rights, central to that are the moral values of the community whose laws you are examining. For those reasons it is not possible to take the Supreme Court case as, even in my respectful submission, a very persuasive authority in the context of our laws in Gibraltar. I do not believe that is the position and therefore it is of limited assistance, in my respectful submission, in judging whether our laws are constitutional or are not constitutional.

There is an important distinction as a matter of fact between the position in Northern Ireland and in Gibraltar and it is this, Mr Speaker. Although the provisions of 161 to 164 of the Crimes Act are provisions that date back to the 19th century – those are the ones dealing with or have their genesis in the 19th century – those provisions were restated by this Parliament as late as 2011. So as late as 2011 the value that that law, which is a reflection of society too and the moral values of society, attributed to the protection of the unborn child, which is a reflection in 161 to 164, that was restated by this Parliament in 2011, Mr Speaker.

It was also restated in 2012 when they commenced the Bill; because we introduced the Bill, but they had no obligation to commence it. It was not law until December 2012. So therefore, they themselves must have thought, in 2012, that there was a value, Mr Speaker, to protecting the life of an unborn child.

There has also, in Gibraltar, been a petition that has been signed by some 6,300 people calling on the Parliament to protect the rights of the unborn child.

Mr Speaker, I do not say that those are conclusive elements. I am not saying, and I am not submitting to this House, that that means that the moral values of Gibraltarians are against abortion on demand or against abortion in certain circumstances, no, I am not saying that. But what I am saying is that there is absolutely no evidence to say that the moral values of the people of Gibraltar are reflected in this Bill. And it is only by doing so that you can then say that in fact that margin of appreciation, that broad margin of appreciation – (**A Member:** Limited.) that is afforded – broad but unlimited, yes but broad, wide. (*Interjection*)

A Member: Limited but broad.

Hon. D A Feetham: Broad, wide, unlimited discretion afforded has been infringed, and therefore it cannot be said that this law is unconstitutional. The whole basis, Mr Speaker, of why the Government brings this Bill to this House falls away when you accept that analysis. Of course I understand that you do not. I have no right for my legal views to be (**A Member:** Foisted) accepted and I do not seek to foist them on the hon. Gentlemen’s either. They know that I have written to them; I have done the proper thing. I have written to them, I have set out my views in

writing, I have attempted to persuade them why there is no constitutional compulsion; they have rejected it.

1370 But look, bearing in mind what I have said and what the Minister for Justice has said, where as I understood it, he has at least accepted that there is some doubt over the position. The right thing to do is to ask the Court what the legal position is. Because once we know what the legal position is then we can have a proper debate on what the law constitutionally requires and anything over and above that that is a matter of political policy. And I think that what we are doing today is blurring political policy with constitutional compulsion.

1375 Mr Speaker, that is my contribution today on an important Bill. I do not want to leave my contribution without saying, in fairness to the Minister for Justice, that I certainly do appreciate the work that he has done to persuade Members on his side of the House that at the very least this ought not to proceed without a referendum. I certainly appreciate that, Mr Speaker. I say that despite the fact that I am going to be voting against that amendment because I do not believe that we ought to be conflating issues, but certainly I know that he has put a lot of work into this and at the very least we are not going to have a situation where because of a misconceived view about what the legal position is that this law was going to be commenced as from tomorrow or next week.

Mr Speaker, those are my views, for what they are worth. *(Banging on desks)*

1385 **Mr Speaker:** The Hon. the Chief Minister.

Hon. Chief Minister: Well, Mr Speaker, the hon. Gentleman is an advocate who knows I do not find him persuasive, but he can certainly clear a room with his eloquence. He did it this morning and he almost did it this afternoon. **(A Member:** You are still here!) *(Laughter)* We had no choice! We are not as pro-choice as we could be in respect to being able not to listen to it, Mr Speaker.

1390 I think that this is not an easy debate and I want to thank, in particular, the mover for an excellent, sensitive and very careful introduction to this debate **(A Member:** Hear, hear.) which I think demonstrates that Neil Costa has really grown in stature in the time that he has been a Member of this House. He now leads, Mr Speaker, one of the largest Ministries in my Government, with the greatest responsibilities and he does so admirably and you see that quality when you deal with difficult issues as we are dealing with today.

1395 Mr Speaker, when the Inter-Ministerial Committee was considering who should present the Bill, it was clear that given that this matter affected both matters of Health and Justice – and it has of course also a tangential connection to Care – the best person to present the Bill was the Minister for Health, Care and Justice. And despite this being, as the Hon. Lady has said, at the very least a political hot potato, he did not flinch in being the person who would carry the ball, and I think he has done an excellent job of summarising the work and the conclusions of the Inter-Ministerial Committee. In fact, I very much look forward to his wider response to all of the speeches this afternoon.

1400 I also want to, just for a moment, stop and reflect, before I answer in detail the speeches that we have heard up to now, on the hon. Gentleman's contribution and Mr Feetham's contribution – I will deal with it later – but I think it was, again, a contribution which sought to analyse rather than in any way politicise; and I am grateful for that. He wrote to me on 4th July and set out the issues that he has now taken the House through, so I had an opportunity of looking in detail at the paragraphs of the judgment that he refers to, without having to listen to him now and actually being able to look at them in the context of my own copy of the judgment. I am very grateful for him having approached the debate in that manner.

1405 I thought the hon. Lady gave the best speech she has given in the past four years since she has been a Member of this House. I thought that she approached this issue, literally as – at least in this House – the girl who kicked the hornet's nest and got the whole thing going, and has brought the sensitivity of a woman to this debate, which I think is important.

I thought the Hon. the Deputy Chief Minister did the usual excellent job of analysing things from a non-legal perspective, but in a logical and chronological perspective, in a way that I think has contributed greatly to the way that the House has the benefit of now making a decision about the Bill before us.

The Hon. Mr Phillips got up and insulted us as much as he could, and as you said, he repeated those insults four times, and that was the sum total of what his contribution was about. It was all about politicising this; it was nothing to do with the sensitivity of the issue. It was literally just 'get up and call them everything I can as much as I can'. I will deal with that when I come to answer the points that he made, because I think the points he made deserve to be shown to be the shallow attempt at politicisation that they are.

Mr Speaker, I am the father of three children, I cannot imagine my life without them. There are other parents in this Chamber. I have never been in the position of those who have had to have an abortion. Of course, I am a man; I could never be in such a position. But I have never even had to walk in their shoes as the partner of a person who has had to make such a difficult decision. Therefore, Mr Speaker, I want to be clear that in all of the determinations that we have made, in all of the discussions we have had as an Inter-Ministerial Committee, in every consideration of an approach we have had by somebody in the consultation process on one side or the other, I have not, and I will never judge a person who has had an abortion.

Similarly, Mr Speaker, I do not have a deeply held belief that positions me in the view that abortion is an aberration. The Hon. Mr Feetham has told us his view, and I commend him for being clear and honest in the way that he has set out his view. He has expressed a little of his history that perhaps we did not know that much about and why he has that view, and I think that the human element to that is to be welcomed in our understanding of his view. And both the hon. Lady and the Hon. Deputy Chief Minister have also told us their particular views as did Mr Costa.

Mr Phillips did not have to tell us his view; it was not a prerequisite in order to be able to launch the insults. But if I had such a deeply held view, if I considered abortion an aberration, then I could not support this Bill and, of course, I could not have supported it being presented as a Government Bill.

But similarly, Mr Speaker, I do not judge those who do hold such beliefs, whether those beliefs are religious or moral. And the strength of this community for generations has lain in our, what we call, tolerance and in our respect for each other's views. (**A Member:** Hear, hear.) We have not sought to name-call those who are different to us, and that means we have not insulted people simply because they have a different religious view to us and therefore perhaps might have a different moral view to us. That is one of the greatest strengths of this community.

I share the view of the Deputy Chief Minister, Mr Speaker, that in this social media age, when people can sometimes be very brave behind a monitor and a keyboard, the anonymity that social media brings is starting to fracture that precious tolerance and respect that we have enjoyed so far.

I do hope, Mr Speaker, that people on both sides of the debate will regain that tolerance, respect and composure in argument that enables us to have a discussion, but not characterise those holding different views in a way that will damage the ability to build future consensus. And from Government we have to be particularly careful in that respect; although I do note that the leader of the Opposition has thrown away all attempt at future consensus.

Mr Speaker, that is a key issue here; whether we can build consensus on something as black and white as this issue is. It is what the Government has sought to do and that is why we have taken such an approach to the work of the Inter-Ministerial Committee, to hear the views of everyone who wanted to make representation to us. We had an initial period for people to submit to us, the submissions kept coming, we did not send anything back and we kept meeting people. I met people last week on both sides of the debate, but we have never considered the issue closed, if somebody felt that they had something to put to us. (*Interjection*)

1470 Indeed, Mr Speaker, the Hon. the Minister for Health, Care and Justice reminds me that we extended the formal deadline at the request of his Lordship the Bishop and then continued, in any event to receive representations.

1475 We have met, Mr Speaker, and discussed and debated with groups that want this Bill but want it to go further, and we have met and discussed with people who do not want this Bill and I think it is going too far – with all of them. We have read widely and we have debated internally, although the Leader of the Opposition specifically said that we had not read anything.

1480 What we have before the House is a Bill, published as a Government Bill, that does what it needs to do to ensure that our position is in keeping with what our advice is, the Constitution and the European Convention on Human Rights requires. I will do a little of the analysis to counter the views of the hon. Gentleman now and then when I answer him specifically, and I know that the mover of the Bill will also do that in greater detail.

1485 Mr Speaker, this Bill will become law at the end of this debate on it in this House. It is clear that this is presented as a Government Bill, and that the Government considers it has a majority for it, and not because Government Ministers are going to be whipped, Mr Speaker, to vote one way or the other, because I have told the House before when dealing with other matters that it is not my practice to whip Ministers one way or the other. But because the Inter-Ministerial Committee has made a recommendation to the rest of the Government and to the Cabinet about how to progress things and therefore how to proceed; and the Inter-Ministerial Committee was half the Government, Mr Speaker. We had five out of 10 Ministers engaged in this process. That is how we have reached this moment.

1490 That is why we want to go further in building that consensus across our community, if we can, because we do not want to impose this Bill, Mr Speaker. Indeed, we do not want to impose the Act on our community either. Because once this Bill passes its Committee stage and Third Reading, what the hon. the Leader of the Opposition did not understand in the way that he presented his counterarguments to what the Minister had said in moving the Bill, is that it is not 1495 the Bill that is going to go for referendum, it is the Act. There will be an Act of this Parliament passed by this House once we pass the Third Reading, and it is the commencement of the Act that is going to the people.

1500 That is a key difference and a failure of understanding of one of the fundamental structures of what we are proposing, which I think demonstrates that the hon. the Leader of the Opposition's approach to this has been to ignore the cornerstone of what it was that the Minister put to the House. There is no Bill after Committee stage and Third Reading, there is an Act. When the Act commences is a different thing. But you have moved from a proposed law to a law that is in effect, and all that happens is the commencement of the effect of that Act is what is proposed should be put to the people.

1505 And so, Mr Speaker, I want to be very clear that we will pass the Bill. The Bill will be an Act. The start button is what is going to the referendum.

1510 We want the time between the passing of this Bill and the commencement of the Act to be used wisely. We do not want it to be used in the context of a debate, as the Hon. the Deputy Chief Minister highlighted, of people making an argument in a referendum whether they are for or against something but being able to imagine for themselves what it is that they are being in favour of, a little as happened in the context of the Brexit referendum, as he said. So if we have, at large, the issue of what it is that being pro-abortion means, people can imagine that it is being pro-abortion at 36 weeks or pro-abortion at five weeks. That is why we are going to propose that it should be fixed. That the issue that goes to the people is clear, and that for the next few 1515 months, whilst the referendum process plays out, people have the ability to sharpen the arguments on those issues, and not leave to the imagination what it is that they are being asked to implement or not implement. That key misunderstanding therefore skewed everything that the Hon. the Leader of the Opposition said. And if I may say so, with respect to the Hon. Mr Feetham, I think at the end he was also addressing that and I think he made an error in that 1520 respect.

But that period, Mr Speaker, the period between now and March, in any event is likely to have been a period where we would not have been able to commence the Bill anyway. So we would pass the Bill here, the Bill would become an Act, but the Minister will not commence the Act anyway, because the Health Service needs to do a lot of things to be ready in order to be able to give effect to this Act, not least the things which we have said we are going to do around the Act, not just in the context of the Act. So this is time that we had anyway, in the context of even the Bill passing and becoming an Act.

Mr Speaker, one of the things that hon. Members opposite have been saying for some time, since this issue really first came up, is that there should be a referendum on this subject, for all of the reasons that I think I have heard them say today. Indeed, the hon. Lady, although she started this political debate, certainly in the context of the politics, was talking about at least a referendum in order to achieve the change that she was proposing.

Mr Speaker, that was a proposal we were not prepared to continue, at the time, because we believed there was no mandate in the lifetime of this Parliament to act in relation to this issue. And this is, as we know, a divisive issue that requires a view. I may or may not agree with Mr Feetham on his position as to how the Irish Court determined how it would act, I will come to that later. I do not think it really was a straw poll of how they felt the Irish felt that led to the legal judgment. But, Mr Speaker, certainly it is a divisive issue and therefore in the absence of a mandate I did not think it was appropriate for political parties to take a position.

All of that changed when the decision in the Supreme Court in the United Kingdom came in, because we interpret that case as a clear imperative that we must act. I entirely disagree with the interpretation that the Hon. Mr Feetham has given, or indeed that purportedly very learned people have written to me about. Purportedly very learned people, Mr Speaker, because they are people who are writing to me with purportedly very good CVs behind them, but as hon. Members know, Mr Speaker, it is possible to find people to give you opinions one way or the other, and the opinions I have been receiving from outside Gibraltar are ideologically charged opinions – not legally argued opinions – designed to serve the ideological purpose for which they are obtained.

But, Mr Speaker, things moved even further this week because the House of Commons has voted overwhelmingly in favour of imposing direct rule on Northern Ireland to give effect to the decision of the Supreme Court. Now, this is an important point. Northern Ireland is a devolved part of the United Kingdom; it is one of the nations of the United Kingdom. And the House of Commons has voted by an overwhelming majority to impose direct rule on an issue of devolution on Northern Ireland to give effect to the decision of the Supreme Court.

Now, in referring to that development, Mr Speaker, I want to just reflect to what Ms Stella Creasy MP, who is a Labour Member in the House of Commons said there last week, because what she was saying was almost more powerful than some of the ratio in the case. She said this:

And I believe powerfully that we will never have true freedom if women do not have the same control over their bodies as men. If we say to women that we will force them to continue an unwanted pregnancy, they will always be second-class citizens compared with their male counterparts. That is exactly what we are saying to our fellow UK citizens in Northern Ireland.

For which hon. Members should read Gibraltar. We are, she continued:

... in the invidious position of rape victims having to go to court to have their rights upheld. That is torture, which is why the UN Committee against Torture censored our country ... [the United Kingdom] ... and said that how we treat the women of Northern Ireland is torturous.

For Northern Ireland, read Gibraltar, Mr Speaker. **(A Member: Exactly.)** That is extraordinarily powerful.

That is exactly the same thing that would be said about Gibraltar in the same analysis, because the Northern Irish law is identical to the law of Gibraltar and that is the law being tested. Forget for one moment the European Convention on Human Rights and the Gibraltar

Constitution. Listen to what has been said by a United Nations Committee of the United Kingdom in respect of the women of Northern Ireland.

Mr Speaker, the great hypocrisy that all Hon. Members, I think, have referred to is that women in Gibraltar do not have to cross the Irish Sea or indeed fly to London, they just walk 500 metres into Spain to have the legal right of abortion there. And when you put that in the factual matrix that the Hon. Mr Feetham tried to put it, if you look at it objectively, and you look at what the United Nations Committee is saying about the United Kingdom in respect of the 1861 Act, what you end up with is not a good reason for Gibraltar not to have to change its laws. It is a transparent reason why Gibraltar *must* change its laws.

Ms Creasy in her address to the Commons last week identified that the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW for short, has identified that this was a breach of women's rights in Northern Ireland, another United Nations Committee. Exactly the same finding would be made about Gibraltar because exactly the same issues arise. Now this is political, this is not legal, this is not the United Kingdom Supreme Court, this is a United Nations Committee looking at the sections of the 1861 Offences Against the Person Act. There was one aspect of the report in respect of the United Kingdom which is really jaw-droppingly shocking. It is this, the CEDAW Report on the Offences Against the Person Act 1861, the one which is identical to the one in Gibraltar, identifies that:

... a woman who is raped in Northern Ireland and seeks a termination after becoming pregnant will face a longer prison sentence than her attacker.

In other words, in Northern Ireland, and in Gibraltar, a woman who seeks an abortion will be sentenced, under the Offences Against the Person Act, the Crimes Act in Gibraltar, for longer than the man who rapes her. That cannot continue to be the law of Gibraltar, Mr Speaker. That is the situation in Gibraltar and we cannot allow it to continue. I cannot preside over a Government that has had that brought to its attention, and fails to act.

And I cannot agree, Mr Speaker, that what we need is a referendum at large to decide how we change our law to deal with that, when the United Kingdom has not got a stale law that is 60-years-old, has got an established piece of legislation that has worked for that period of time and which we have updated ourselves, because if the hon. Gentleman the Leader of the Opposition thinks that what we have done is copy and paste, what he has demonstrated is that he has not read either the Command Paper or the Bill before the House. Because if we had copy and pasted where it says '12' it would say '24', Mr Speaker.

A Member: No doctor's certification.

Hon. Chief Minister: No doctor's certification, no insistence that things be done in the National Health Service etc. This is the least copy and paste of our laws, Mr Speaker.

Ms Creasy ended her address to the Commons last week by saying:

We must deal with the effects of this anachronistic, ancient law ...

Well, Mr Speaker, hon. Gentlemen can get up and insult us as much as they like. I think, unfortunately, they think that is the best way for them to discharge their political office, not to contribute to the substance of the debate. Mr Feetham has in the way that he has presented his argument, as has the hon. Lady, but the Hon. the Leader of the Opposition got up, and in a bluster and flurry of insults, decided just to tell us that we had copy and pasted our rules. He can do what he likes, Mr Speaker, but how does he address in his conscience that what he is saying is that we should continue to have a law where a woman raped who seeks an abortion goes to prison for longer than the rapist?

If hon. Members think that what the Commons have done to Northern Ireland by their direct rule is not going to happen to us because we are an overseas territory, well, the overseas

1610 territories have always been more at risk of direct rule than any of the constituent parts of the United Kingdom. But if hon. Members wanted to run that argument let me just take them back six months, or is it that they have forgotten that the United Kingdom Parliament, the House of Commons, has legislated to require every single one of the Overseas Territories to have public registers of ultimate beneficial owners of companies. In other words, the United Kingdom has imposed direct rule on all of the overseas territories that do not have, of their own volition, open registers of beneficial ownership of companies – which we do, so we have not suffered the consequences of direct rule.

1620 But Hon. Members are as the members of the assemblies in the Cayman Islands and the British Virgin Islands etc. who are saying, ‘We are not going to do that public register of ultimate beneficial ownership of companies’, only to have Westminster do it for them. Do they want to put Gibraltar in that position? I am sure that Ms Creasy has been advised of what the position in Gibraltar is, because it has been carried in the same newspaper that has carried the stories about Northern Ireland in *The Guardian*. So this is not an issue on which Westminster is blind. Are they wishing for Gibraltar direct rule in this manner? Because if they are, Mr Speaker, they might find that one of their number, who was not elected at the last election and who has written recently about what the real effects of the 2006 constitution is, might be more right about the reality of constitutional progress in Gibraltar than they have been. (*Interjection by Hon. D A Feetham*) I will come to that, Mr Speaker, and explain the detail of that because I do not think he has quite understood it when it was explained to him the first time.

1630 There is *clearly* now a judgment call to be made. Do you allow Gibraltar to have those ancient and anachronistic laws? Do you allow somebody else to come in and replace them for us?

1635 Mr Speaker, we have absolutely no doubt in fact, that the provisions of Article 8 of the European Convention on Human Rights are so identical to Section 7 of our Constitution that what has been said by the Supreme Court of the law in Northern Ireland is as true of the law of Gibraltar. And we have no doubt that what CEDAW has said about our laws in the context of the UN’s appreciation of the 1861 Offences Against the Person Act is true of our Crimes Act, which has exactly the same derivation and is identical.

1640 It is therefore trite for hon. Members to have started this debate by telling us that the judgment does not create an obligation in Gibraltar. Law school 101, (*Laughter*) we all know that this does not create a direct obligation on Gibraltar, because it is a judgment of the United Kingdom Supreme Court in respect of Northern Ireland. It creates an obligation, a direct obligation, in respect to Northern Ireland. But, Mr Speaker, and I will do this analysis when I come to the hon. Gentleman, exactly the same judges looking at exactly the same law, they would have us believe are possibly going to reach a different conclusion in relation to Gibraltar because of the margin of appreciation, because there was a poll in Northern Ireland which suggested that they were in favour. Mr Speaker, what they are saying is a *Panorama* poll in Gibraltar, in front of those judges in the Privy Council, is what is going to turn them. Well look, let’s not bother to have judges; let’s just put Joe Garcia Senior in charge of decision making by *Panorama* polls. (*Interjections*) This is utterly ridiculous in the context of trying to construct a serious argument about how the judiciary reaches its conclusions.

1650 I do not believe that the hon. Gentleman can for one moment believe himself that what he is saying is at all persuasive. The margin of appreciation is about a different thing, Mr Speaker. The margin of appreciation is about a community that expresses its view in a plebiscite aka a referendum and that carries the moral imprimatur of where the people are. Does he know where this comes from, Mr Speaker? This comes from the English concept of the custodian of public morality. The custodian of public morality was the king, then the custodian of public morality was the Court of King’s Bench and after the Second World War the custodian of public morality were the courts generally for the people. If he follows all of the cases about the publication of pornography etc., this is where the *costas monis* is developed in the jurisprudence of the United Kingdom, which then infects the jurisprudence of the European Convention on Human Rights, because that was given to Europe by Winston Churchill after the Second World

War. That is what happened, if he wants the history lesson – although usually the Deputy Chief Minister, who is the better historian. As this is jurisprudential, this is what is behind it.

1665 Therefore the only slither of opportunity for the margin of appreciation to be accepted is through a referendum, although hon. Members are convincing me that we should perhaps just press on with this Bill because they are the ones who said first that we should have a referendum and now, faced with the prospect of a referendum, they are saying that they do not want one, but never mind, Mr Speaker.

1670 There is absolutely nothing which they have said which really has advanced our understanding of the legal issue. But are they really putting themselves in the situation, not just of a Stella Creasy style amendment in the United Kingdom, but of a pregnant woman going to the Supreme Court of Gibraltar as an interested party and seeking an abortion? If they did that and they were to put somebody through that horrific requirement, as they did – and they have form for doing so – with the same-sex tenants in common, who they forced to go through a
1675 Supreme Court action all the way to the Privy Council, instead of knowing that they had to change the law to recognise same-sex partners as having rights in tenancies in common. If they did, what they would end up with is the same decision as the court delivered in Northern Ireland. The same judges with a slightly different title that would say in the Privy Council rather than in the Supreme Court of the United Kingdom, that is the reality. And in hon. Members' hearts of hearts they know it, because Mr Feetham is progressive enough on the issue of same-sex couples to have wanted to go down that route on the issue of equality, age of consent equality. Although, Mr Speaker, perhaps that also should have been done in the same way. But they have form in seeking to protect the executive with the cloak of the judiciary. And we do not, we have a different sort of form – we consult more widely than some people would like us
1685 to see us consulting, we take longer than some people might like to see us do, but we do. And that is what we are going to do in this case.

Mr Speaker, if I may say so, with respect, I am not persuaded but, of course, always impressed by the hon. Gentleman's legal presentations, much more than I am by those who pretend to present to us from outside of Gibraltar. The hon. Gentleman is a Member of this
1690 House, he does the analysis that he considers is appropriate. We may or may not share it but I respect it. He knows this community, and he and I might disagree as a matter of judgment on where this community is, but he is a member of this community.

But, Mr Speaker, to have received allegedly impressive opinions from outside of Gibraltar that are allegedly much more impressive simply because of where they come from is not going
1695 to persuade any of us on this side of this House.

In particular, Mr Speaker, because most of those opinions originate in a jurisdiction where abortion is legal to the 24th week. So people sitting in the United Kingdom ... I mean we can now save the life, thank God, of a child born at 23 weeks, and these people are writing to us and we are proposing to do a law that allows abortion to the 12th week, from a jurisdiction where it is
1700 allowed that the 24th week, to tell us that what we are going to do is wrong. Well, Mr Speaker, frankly those opinions are, in my view, no more than just a nuisance. It was a very unpersuasive way of trying to approach the way that the Government reached its conclusion.

It is true, however, that the judgment which we have been referring to, the judgment in the case in Northern Ireland had the benefit of being produced after the judges, the judges being,
1705 probably I think the hon. Gentleman would agree with me, six or seven of the best legal brains of the United Kingdom, having been addressed by some of the best advocates in the United Kingdom and having received the best medical advice in the United Kingdom. And so, Mr Speaker, I think it ill behoves us to try and interpose our own legal analysis of what it is that should be the way to determine that case.

1710 The position also that has been approved by the majority of the House of Commons to be imposed by direct rule in Northern Ireland, it is important to remember, is not the Bill that we have before this House. So absent is the deep failure of understanding of the Leader of the Opposition of what this Bill is, compared to the Act in the United Kingdom this is a 12-week Bill,

not a 24-week Bill. This contains a lot less of the choices, opportunities and freedoms that the UK Bill contains. This contains almost no freedoms, almost no choices. **(A Member: It does.)**

What is being imposed in Northern Ireland is the UK Act, full simpliciter. In other words, if you let this go to the House of Commons imposing it on Gibraltar what you are going to get is copy and paste, 24 weeks, all of the choices in there. **(A Member: Exactly.)**

Mr Speaker, I think that what has not been appreciated is that the Bill before the House today is different. It is much more modern. I am against the 24-week time limit of the United Kingdom. I believe that that might have been the right position to have taken 60 years ago. I am against a 24-week law today. I think that is just now too much because, as I said, we are already saving the lives of children born at 23 weeks, thank God, and I think a 24-week limit is too high. But I think 12 weeks is the right balance. And everyone who is against the Bill, Mr Speaker, has to bear in mind that these controls, these options, these reductions of the position in the Bill from the UK position to the Bill that we have before us today are only possible if we make this Act, and not if it is imposed on us.

Indeed, it is not just that the House of Commons, if it were to impose abortion on Gibraltar, would probably do it on the same terms as the UK Act. It is that if the Supreme Court of Gibraltar were to make a decision in the context of an application by a pregnant woman the decision, based on the UK Act, which might be limited in the way that the UK Supreme Court decision has been limited, might very well be in the form and terms of the UK Act also, the 24-week law.

Mr Speaker, frankly therefore, I think it is important that people should realise what it is that the Inter-Ministerial Committee has tried to do. We have tried to shield Gibraltar against that. We have tried to modernise what the UK law would probably be today, if it were being made from scratch, and we have tried to ensure that we produce a better Bill for Gibraltar than simply the imposition of the UK position.

It is also true, Mr Speaker, that despite that there is a deep social divide. This Bill is measured, it is reasonable, it is a compromise. It is designed to protect Gibraltar. But for some people it is not measured or reasonable enough. One side wants a total ban; others on the other side want absolute and total freedom. So this Bill is designed to be neither of the two, it is a social compromise, which we thought would work for everyone who believed in the need to build compromise.

Mr Speaker, there might be that esoteric thing that the Hon. the Leader of the Opposition referred to as 'middle Gibraltar'. Maybe that is what middle Gibraltar is. I do not know what it is. Maybe that is where they are, neither absolute freedom nor a total blanket ban, that is what we have tried to do. And perhaps in doing so, Mr Speaker, we will please no one. But the Inter-Ministerial Committee and this Government is not there to help either side score a goal over each other. That is not how you build communities. That is not how you build consensus. That is not how you do government. That is why we are going to deliver the Bill which we consider delivers the right compromise and we are going to pass the Bill, Mr Speaker, but we are not going to impose the commencement of it. We are going to allow people to make the choice of that start button.

Therefore, Mr Speaker, we are positioning ourselves in the most democratic of places. If the Hon. Members opposite sincerely believe that the only democratic place to be is to say, 'Here is a blank canvas, let us have a debate and decide whatever it is that any member of the community might like.' Well, Mr Speaker, that is more than just a referendum, because at some stage they are going to have to ask a question and at some stage – after the 2016 debacle in the United Kingdom – people are going to want some clarity on the question. Therefore at some stage they are going to have to do the exercise that we have done, and I put it to them that they would come to almost exactly the same conclusion that we have come to ourselves. That is why it is right that we should tie down the issue that people would be asked to vote for in a referendum.

Outside this morning, when we came in, we saw that there are groups passionately in favour and against this Bill, and I respect everyone who was there. I am honestly grateful for the

passion with which they have made their arguments in their exchanges for us. But we do need to find that middle line. And we need to ensure, Mr Speaker, in that context that there are no winners and no losers, because this is not this is not a game of snakes and ladders. This is an important part of how our society develops and grows. In our view, there is now only one way that we can do that and that is to have this referendum, a referendum that will take this issue and pull it out for our society to make a separate and distinct choice about. Because, as Mr Feetham said, views in respect of this issue cut across the party political divide. There are people perhaps on one political side that take the view that there should be choice and there will be people on another political side that take the view that there should be no choice. Absolutely it cuts across the political divide. Therefore, Mr Speaker, it is absolutely right that we should take this out of the general political debate, stop it from polluting people's views on other issues, and give it the attention that it deserves.

Mr Speaker, I think it is also important to set out that many Gibraltarian women have had abortions before today. Whatever happens in this House today, Gibraltarian women will continue to have abortions. And it is utterly hypocritical to suggest that not changing the law is going to stop them from having abortions and that changing the law is going to, in any way, change behaviour and promote abortions. All that is going to happen, if we do not change the law, is that we are going to keep women who need terminations in a clandestine limbo. That is the reality, and I want to clarify that.

I want to clarify something, Mr Speaker, which Mr Feetham started to do but I think it is important that both sides of the House should do it and that we should do it together. What we have to say to women who have had an abortion outside Gibraltar is that they are not guilty of any offence in Gibraltar, and that they have absolutely no need to feel any shame.

Similarly, Mr Speaker, as we try and balance the concerns expressed to us by many who are against abortion in any circumstances why should we impose this law if there is genuinely a majority against it, which I believe there is not. I genuinely believe that there is not a majority against this law. But if there is a majority against it, why should we impose it? Hon. Members are right; we do not have a mandate to do a law on abortion. We believe there is a constitutional requirement to do it, but there is the margin of appreciation argument. So if there is, Mr Speaker, a large silent majority should we impose this issue on them, if constitutionally there is the ability under Article 8 not to impose it? But if there is, Mr Speaker, as I believe there is, a very large liberal body of opinion in Gibraltar that believes that this is an ancient law that is anachronistic and needs to be undone, why should we not take this step forward? And then to take the point that the hon. Gentleman was making – how do we decide that? By an opinion poll? Do we decide by likes on a Facebook post on Speak Freely, is that what this community has come to? Is that how we make these determinations? We are going to pass the law to fix the legal issue. Our body of law is going to be fixed at the end of this debate.

Then the start of that is going to be in the hands of the people and the issue of direct rule will be out of the question. And in my view, Mr Speaker, even the possibility of the Supreme Court acting would be out of the question, because by then we would already be in the process of having a referendum on the issue.

Mr Speaker, I also want to address those who have a belief in respect of this particular issue whose belief comes from religion or whose belief is religious because there is nothing to be ashamed of if people have a religious view in respect of this matter. Many have come to me in the time that we have been consulting on this issue saying, 'I am not in favour of abortion, but please do not think my view is religious', as if there was something to be embarrassed about in that respect. Frankly, there is nothing to be embarrassed about. Different people reach different moral decisions and many of them reach those decisions based on their firmly held religious beliefs and no one here need be ashamed or embarrassed of holding a belief simply because it comes from religion. I think people should not think that the pendulum has turned in such a way that they are not able to freely express that they have a deeply held religious belief that leads them to a conclusion.

In that respect, Mr Speaker, thanks must go to everyone who contributed to the Inter-Ministerial Committee, the Catholic Church for a very carefully considered and well-argued paper that addressed the issues very dispassionately, they sought more time from us and I am very pleased that we agreed to give more time, because it was a very carefully thought out paper. Also, Unite the Union who also came in after the deadline had passed, who made an excellent presentation on the subject and presented an alternative view even to the United Kingdom law as it is today, an even more progressive position than the UK law as it is today, something which I had not considered and which opened our eyes to how things are being done elsewhere – perhaps a little too progressively for us, at least at this stage. All of them have played a hugely important part of this campaign and I want to thank them all on every side of the political or of the view divide.

Mr Speaker, the ladies who have had abortions and feel like criminals who have written to me to tell me that the law of their nation tells them that they are ‘baby killers’, they are the ones who deserve the most consideration, in my view. They have made hugely difficult decisions, none of them frivolous. They are people who carry those decisions with them for the rest of their lives, and people who have never walked in their shoes inflict pain on them when they call them ‘baby killers’. They write to their political leaders and they express this pain and I think it is incumbent on this House to send out the message that they have nothing to feel shame about.

I do not believe that the foetus at 12 weeks of life is capable of independent survival and therefore I agree with the conclusions of the Supreme Court in the United Kingdom that the foetal body is not life.

Mr Speaker, I do not believe – and I am going to tell the House what my views are – that women should be forced to have babies. I do not believe that women should be forced to seek underground abortions. I do not believe that women should be forced to go abroad to escape the effect of a law that criminalises the need for a termination. And I will not walk in the shoes of a person that I have no right to impose my beliefs on. I will not agree to continue to have in place a law that hijacks the life of a person and forces them to go through a pregnancy. I will not add my name to continuing a law that requires that. I do not believe that we, society, and men in particular have the right to kidnap a woman, by law, who does not want to have a child, and use her as a biological incubator for nine months, I just do not believe that. I do not think that can be something that we can continue to impose on people. Those are my views. I am sorry if I offend some people with these apparently horrible views of mine, but I must tell you that some people offend me with their horrible views of people who have had the temerity to think like me.

But we have to deal with these issues, Mr Speaker, and we have to look each other in the eye and be honest with each other, and that is what I think. If I am shedding the votes of some because I think this way, I am not at all concerned because in life and in politics we have to take a view. We have to take a position, and this is mine. But I am one, Mr Speaker, in a Government, and I have never whipped my people and I do not want to do it now on an issue like this. So I am proposing that we change the law, but we allow the decision to implement it to the people.

Ironically, those who first said that the only way out of this was a referendum – hon. Members opposite and the hon. Lady who kicked the hornet’s nest in that way – are now going to vote against the amendment we are going to propose in respect of the referendum. I am not surprised that hon. Members – not the hon. Lady – are going to do the opposite of what they said because other hon. Members in this House know that they have form in that respect, and I refer everyone to the debate we had on the Budget.

But, Mr Speaker, for Mr Phillips to take that position today is really quite something because when this issue first came up and the matter was being debated and we were all being interviewed last year, he said it would not be right to require people to go outside of Gibraltar for abortions. But now he is going to be voting against the Bill that is going to allow people to have abortions in Gibraltar. He told GBC, in September last year, this:

... one thing that really bothers me about this subject and I've heard recently by the Chief Minister, who is on record as saying that we should consider sending young women and women to the United Kingdom to have abortions.

Now, frankly that in my view is at odds with the Supreme Court decision in relation to the Northern Irish question on abortion and not only is it at odds but it effectively says in the judgement, by one of the Supreme Court Judges, that it would demonstrate inhumane and degrading treatment to do that, to send Northern Irish women to England or Scotland to have abortions. Now what has the Chief Minister said, this is a complete political cop-out in relation to this issue.

1870 That is what he said in September last year. Now he has got the Bill in front of him that allows him to provide for women to have abortions in Gibraltar and what does he do, Mr Speaker? Cop out, and let them carry on going to the United Kingdom or crossing the frontier into Spain. Given the chance to live up to what he said was the thing that concerned him he turns tail and runs.

1875 And what about Mr Azopardi, their allegedly progressive leader, Mr Speaker, who was calling for a referendum but now appears to be whipping his party from beyond this place to vote against the referendum clause that we are going to propose in this Bill. Mr Azopardi said in an interview with GBC on 16th October last year:

We consider that this is an issue which is important enough for the society of Gibraltar to speak and to do so in a referendum.

1880 Well, Mr Speaker, they have the option of supporting a clause that sends this to a referendum. What are they going to do? The opposite of what they said they would. But what is wrong, what makes no sense, what the world has now seen is dangerous, is to go to a referendum in a vacuo, and we will not agree to that. That is why we will insist in changing our law today, we will insist that this Bill become an Act and we will put commencement of the Act to the people in a referendum, Mr Speaker.

1885 Mr Feetham said that this was the most difficult debate we have had. I think it always feels like that, but remember when we were in this place and some were saying that the sky was going to fall in if we allowed equal marriage? (*Interjection*) Well, I am not suggesting that it is on your side, generally, those sometimes beyond this place, those who had been on your side. Has the sky fallen in? No, of course it has not.

1890 Only last week, Mr Speaker, I attended a beautiful marriage ceremony between two men that made most of us attending absolutely and utterly emotional. The hon. Member sitting next to him was there too, although I do not know whether he shed a tear or not, I was not close enough to see him and he did not ask me for a tissue, and I had none left, I had used all mine. Mr Speaker, I was so proud to have delivered that Act for equal marriage and the civil partnerships between all orientations, even heterosexuals, Mr Speaker, even before the UK. But to deliver those things, Mr Speaker, we had to compromise.

1895 The hon. Lady says that we do not go far enough on anything that we do, on equal marriage because of clause 6B. Yet, Mr Speaker, she does not complain, rightly she does not complain that this Bill will not require doctors to carry out abortions. Well, if she were to become Chief Minister of Gibraltar tomorrow she would become the employer of 5,000 people who have different views, and with a responsibility also to those employees. Now, she would have to protect the minority in that number that do not believe in the rights of minorities also and do it in a way that protected the rights of minorities. And so, Mr Speaker, balance is necessary when you are governing. It is not a betrayal; it is not a let-down. It is because in order to achieve the big, good things that we are doing, we sometimes have to ensure that we do them in a method which is balanced. And sometimes we do more, Mr Speaker, with that balance than we might
1900 without the balance.
1905

Like this morning, on climate change, when she was from the position of not having responsibility, she was telling us that we were not doing enough and we were just paying lip service. Mr Speaker, I walk to work every day and I am a vegetarian now, two days a week. He told me I had to be a vegetarian one day a week and I had to have an electric car and he did not

1910 tell me I had to walk to work because he does not walk to work, Mr Speaker! We are doing what we can. This is not paying lip service. But we could do even more: we could shut down every power station in Gibraltar for 72 hours a week, that would be progressive, that would be doing more, but it is not what we want is it, Mr Speaker? I think that as much in the context of climate change, as much in the context of other debates, getting the balance right enables us to deliver, 1915 not as quickly as we might want to, we might be slower than we want to or indeed have to. But we get it right. And in respect of *this* Bill, this is the right compromise.

Yes, it is compromise, but its success to change all those things that I referred to earlier and to deliver at least a new and modern law, without taking sides, Mr Speaker, without allowing one side to score a goal over each other, protecting Gibraltar from the circumstances that I have 1920 indicated we potentially could see on the horizon from the House of Commons, from the Supreme Court etc. and with a referendum on commencement.

But I do think it is time that we do take this step and that we do protect women who need terminations. This is a serious decision, Mr Speaker, and it is one that many years from now we will look back on – probably as we look back on equal marriage – and we will wonder how it took 1925 us so long to take it. It is an important step and we will wonder why we took so long to walk in the shoes of the women that have needed our help and we have not heeded them before.

Mr Speaker, the GHA is going to invest very heavily in providing these services, if we are re-elected. The GHA is going to provide services around this Bill, not just for this Bill. In particular in respect of sexual health counselling etc. and it is not lost on me that there is a lot of talk of 1930 abortion not being used as contraception, etc. but ironically a lot of the people who are against abortion are the people who are ideologically against contraception as well. And that irony I find impossible to bridge, Mr Speaker.

Somebody threatening me not to vote for me is not going to change my view. Somebody threatening me not to vote for me is not going to make me take a different position, because I 1935 am not here to win elections, Mr Speaker. I am here to make the right decisions, with a sense of responsibility for every generation of Gibraltarian, future generations predominantly, in this case, of Gibraltarian women. And that is why we are not going to allow ourselves to play the game of popularity, which I suspect hon. Members opposite have fallen into. We are not going to allow ourselves to be looking at the tally of votes that we think we are going to garner. We 1940 are going to allow ourselves to perhaps disappoint, perhaps anger people on both sides of the debate, because we are going to do the right thing. Mr Speaker, that is why it is incumbent on me to tell it like it is and to tell every Member of this House what my views are and why I am supporting the Bill.

I think I have addressed most of the points that I felt I had to address. The Hon. Mr Phillips, I 1945 have considerable pages of indignant notes, Mr Speaker, given that he repeated, as you identified, the same insult four times over, but in perusing what he said I can discern nothing that is worth responding to because all that I identify that he said, which required responding to, was that this was a copy and paste job, which I have already demonstrated was not the case.

He said that he thought that we were going to put the Bill to a referendum, because he had 1950 not understood that we were putting the commencement of the Act to a referendum, and I am not going to bore Members of this House, or indeed those who may be here trying to understand our views, our separate views, on the substance of this Bill with simply calling him stronger names than he called me. I do not think he has any doubt of what I think of him.

Mr Speaker, I do not think that the hon. Lady said anything beyond the things I have already 1955 dealt with where she requires me to give her an explanation of the Bill, but I will tell her that quite conversely she delivered her speech without one insult. She addressed the substance of the issue and the differences between us, but she delivered it without one insult.

She made one point which I think is also a key point in this debate. It applies to me, and I know it applies to all the Members of this side of the House when we have debated this issue, 1960 that being pro-choice is not being pro-abortion, and I think that is a key point for people to keep in mind.

1965 I think I have dealt also with all the points that Mr Feetham made in the context of the analysis I have been doing. The only final points I would make in respect of what he was saying is that the factual matrix in Gibraltar, in my view, makes it even clearer that a decision of the sort that we saw in the Supreme Court in the United Kingdom would be made in Gibraltar, because if you just have to walk 500 metres to an abortion clinic then really you are creating a legal fiction. But indeed the opposite may also be true, and this is the point that the Deputy Chief Minister highlighted, in the context of Brexit that option may disappear. The Gibraltar Women's Association raised this issue when we did not know whether Brexit meant the frontier was going to be closed. And hon. Members need to put themselves in mind where we were two and a half years ago. Three years ago and a month ago Snr Margallo was saying the Spanish flag will be flying over Gibraltar in four years' time or that frontier will be closed and I will do what I like. And rightly this issue then arose, an unintended by-product of Brexit, if you like, Mr Speaker. So in doing his factual analysis and in setting things in the factual matrix against the law he needs to have considered that also, which I think he failed to do.

I think the Hon. Minister will answer on the margin of appreciation.

Finally, I have come here to tell it like it is. I have come here to tell people what my views are and that is what I have done today. That is why I will obviously be supporting this Bill, which has been presented by the Government as a Government Bill, and that is why we will pass this Bill.

1980 Mr Speaker, I want to be categorical and I want to be clear. In a referendum I will campaign for it to commence.

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

1985 **Mr Speaker:** We have now been debating for three and a half hours. I am not sure how much longer the debate is going to go on, but both the Clerk and I require a comfort break, some members of the public may also. I am very grateful to them for the very attentive and courteous manner in which they have been following the proceedings. I would like them to stay, please do not go, or go and have a walk and come back. We will have a break for 15 or 20 minutes and then we will carry on with the debate.

1990

Hon. Chief Minister: Yes, Mr Speaker, so I move that the House should recess until 7 p.m.

Mr Speaker: Until 7 p.m.

The House recessed at 6.47 p.m. and resumed its sitting at 7.03 p.m.

**Crimes (Amendment) Bill 2019 –
Debate continued –
Second Reading approved**

Mr Speaker: The Hon. Lawrence Llamas.

1995

Hon. L F Llamas: Mr Speaker, I approach this debate by parking my personal views on this issue – which I publicly aired in *The Gibraltar Chronicle* of February 2018. I shall approach this debate in the measured and sensitive nature it merits.

2000 Life, Mr Speaker, life. The moment you start talking about life, you know it is going to get philosophically complex; and incidentally, that none of us in this House would neither agree or be completely right. Most religions state that life begins at conception with the fertilisation of an egg – but this is not the level of debate we are having here today. We are going further, beyond the religious dogma defining life. At approximately 22 days after fertilisation, a human heart begins to beat.

I was immensely struck during a particular event last year, Mr Speaker. That event was Walk the Beat, organised to raise awareness about heart disease. One of the student nurses involved in the organisation of the event read out a poem, and in that poem, the following words were read: 'Life begins with the first beat of the heart and ends with the last'.

Therefore we must protect an embryo or a foetus of 22 days and a person at the age of 100. It is that same heart that beats from the start to the end and we depend on that very same heart every day to stay alive. Nothing of what I have said, as objective as one can be, persuades me to believe that as of 22 days from conception, by any measure, that human life has not commenced.

In my *Chronicle* interview, I did however recognise that, despite my personal views, I believed there may be need to review our legislation for limited circumstances, being fatal foetal abnormality, risk to mother's life and rape or incest.

A few months after this publication, the Supreme Court dismissed an appeal brought by the Northern Ireland's Human Rights Commission. However, it did signal the need to reform Northern Ireland's laws to cater for, essentially, the limited circumstances. Firstly, I do not agree with the argument that this Bill is required by the jurisprudence of the Supreme Court of the United Kingdom, as has been touted since last year by the Government. In a Supreme Court judgment, a majority of five to two were of the view that the law of Northern Ireland on abortion was incompatible with Article 8 of the European Convention in relation to cases of fatal foetal abnormality and, by a majority of four to three, that it was also incompatible with the Article in cases of rape and incest. Additionally, Lord Justice Kerr went on to say that the views of the five Justices, although in no sense binding must nevertheless be worthy of close consideration by those in whose power it lies to whether the law should be altered.

I do not believe we in this House have a mandate to change the law beyond what is constitutionally incompatible. But it is essential, as stated in the judgment, that close consideration must be given to determine whether any constitutional incompatibility exists. It is therefore my firm view that we must first analyse what those incompatibilities are and, if necessary, propose legislation accordingly. I agree that seeking to provide legal cover for women who wish to terminate their pregnancy as a result of rape or incest is the most difficult to navigate. But I do not believe it is impossible. There is no reason why a person cannot file a report with the Royal Gibraltar Police before accessing a termination if she so chooses.

Whilst at the same time ensuring women have access to proper support and counselling, it would also deal with alleged perpetrators as well as ensure the specific legal recourse, if it does become one, is not abused. What the Government seeks to legislate today goes beyond what may be constitutionally required. That takes Gibraltar into very dangerous territory. It seeks to effectively transpose the UK Abortion Act into our domestic law, meddling with the very foundations that our society was built on, one of consequences, mutual respect and values.

Gibraltarians, as a people, have prided themselves in their courage and principles. This is part of our identity and who we are. We have not shied away from responsibilities and when the going gets tough, we have risen to the occasion. I say this in full consciousness that it is not my decision to make on whether someone chooses to terminate their pregnancy at what will be the most difficult times of their lives; when your own life is at risk, when you have been abused or raped or when your child is unlikely to survive once outside the womb. These are very difficult choices, under the most emotive of situations.

In considering our constitutional compliance, I would propose we carve those limited circumstances out and, after an informed recommendation has been laid, legislate to protect all parties involved. It is also our duty to ensure that any legitimate circumstances are not falsely appropriated by persons who simply want a termination as a means of contraception. This is a bold statement to make, Mr Speaker, but I do not say this without evidence.

When we look at the latest UK statistics available, published on 30th June 2019 in respect of 2018, there are a total of 205,295 abortions performed. 39% of these abortions were performed on women who have previously had one or more previous abortions; that translates into over

80,000 abortions in one year. The proportion of women undergoing one or more abortions has in fact been steadily going up over the past 25 years, when compared to 27% in 1994. Surely the fact that abortions are so easily accessible in law and practice has contributed to that increase.

2060 Mr Speaker, it must also be noted that in the UK 97% of all abortions are carried out under the grounds that continuance of the pregnancy would involve risk greater than if the pregnancy were terminated or injury to the physical or mental health of a pregnant woman. However, 99.9% of those abortions are attributed to mental health and not the physical health of the woman. I am a huge advocate for improved mental health support in our community. However, 2065 using mental health as a means to terminate a pregnancy is an insult to those who live with mental health issues day in and day out.

There are many cases around the world, even in our very own community, where persons with severe mental health issues have thrived after having a child. But if there is a risk of permanent or serious danger to the mother's physical or mental health, options should be made 2070 available in a serious and controlled manner. So if the policy of the Government is to now pass this Bill and then take the Act to the people for ratification, I do not believe this is a responsible thing to do.

We have a duty to review legislation and pass such legislation which may compromise our constitutional obligations. The Government should consider setting up a select committee to report back to this House on the best way forward in this regard, so that legislation to cater for the exceptional circumstances; so that any constitutional obligations are enshrined in our law prior to a referendum. This is required because any constitutional obligation cannot be put before a referendum. Either they are breaching conventions or not.

2075 Mr Speaker, I would like to ask the Government, how could a future government deal with a potential scenario, post a referendum result, where there may continue to be breaches of constitutional rights? This makes the proposition of a referendum on the Act nonsensical and leads me to believe that there may not actually be a constitutional crisis as portrayed from the onset. Otherwise, there would still be a need to identify and legislate to comply with constitutional obligations in the future.

2080 I believe it is important to carve out any constitutional obligations, if they exist, ahead of a referendum, to ensure a referendum is undertaken purely on facts which are set out unequivocally and responsibly on reviewing legislation beyond what is required.

Mr Speaker: The Hon. Albert Isola.

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Minister for Commerce (Hon. A J Isola): Thank you, Mr Speaker.

Mr Speaker, I think the first thing I would like to do is start by congratulating my friend, the mover of the Bill, the Hon. Mr Costa, for his extremely eloquent and sensitive manner in which he introduced the very difficult issues that this Bill undoubtedly produces for us all. He did it in a way that explained clearly each of the different aspects of what is being proposed to do, even in areas where I do not agree with him. But even those he did, I thought, with great sensitivity.

2095 But then asked myself, Mr Speaker, whether he was wasting his time, because it was obvious to me from the moment that Mr Phillips got up that he was going to read a pre-prepared speech irrespective of everything that my good friend had said in his speech. Of course, what Mr Phillips told us was everything except what we really wanted to hear, which is what does he think? Because nobody knows. Who remembers, from the Leader of the Opposition's intervention, what his position is in respect of this Bill? Mr Feetham – absolutely clear, categorical. Mr Llamas – clear. My good friend, the Lady: extremely clear. But what did Mr Phillips think? We are all, unfortunately, still in the dark.

2100 The reason for that is, I suspect, that the speech that he read us may not have been his – because, Mr Speaker, it was so disjointed from reality that it is difficult to believe that somebody sitting in this House could have made that statement knowing what he knows. To say, like he did – which I found absolutely remarkable – that the referendum was not a free and

unrestrained referendum, but that the people would be held in handcuffs, our democracy was put into handcuffs – Mr Speaker, that is extraordinary. That is absolutely extraordinary. (Interjections) I wrote it down because I could not believe what he was saying. He said the approach was fundamentally flawed; that the debate has not happened. He said, it is the debate that has been missing here. Well, where has he been for the last 12 months, Mr Speaker?

I have sat on the Inter-Ministerial Committee, I know how many representations I have heard from across all spectrums of our community, some of which I agreed with, some which I did not. But I respect the views of every single individual that took the trouble and the time to write in to the Inter-Ministerial Committee, which we then spent a huge amount of time discussing and then meeting with all of the different groups and associations, before we then came back, reviewed again; then more meetings with more associations, then more letters. We looked at them all. As I think Dr Garcia quite rightly said, this is probably the most we have ever debated and consulted on in the history of Gibraltar. It is absolutely incredible the amount of time, energy and work that has gone into this, and I thank those that have participated in that important process.

But to come here and say that we have not had a real debate – good Lord! And he did say it four or five times, because it appears all over my notes. And so, in politics, in my view, Mr Speaker, as the hon. Lady said – and this is what she started off with – one needs to be honest with the community. I think to come here and just criticise everything that everyone else is doing, even when some of the things that we are doing are things that you yourselves were calling for, that is not political honesty, in my view, Mr Speaker.

Now, to what end can somebody come to this Parliament, as the Leader of the Official Opposition and not tell us what you think and not tell us why you do not want to tell us what you think? I suspect this is nothing but politics. It is unfortunate and regretful, Mr Speaker, because every intervention has not been political. Every intervention has been heartfelt, honest and genuine; except that one. Except that one which was a political onslaught, using outrageous language in a debate that requires and demands much more sensitivity from somebody who purports to be a responsible politician in this House.

And so I think the language that he used was unfortunate and I regret hugely, because the suggestion that the people of Gibraltar are being lied to, when we have had as open and transparent a debate as we have had, is again unfortunate.

And yet, Mr Speaker, I find myself in the horrible position that I am going to be voting on the same side as him, because I do not support this Bill. And I do not support it for the same reasons that my friend Mr Feetham does not. My faith, my religion, prevents me from voting in favour of this Bill. So from my own perspective, I will certainly vote in favour of the referendum – because I believe that is a chance, as this will pass through Parliament today, for people to reflect, consider and hopefully come to different judgment than that that the Bill presents.

And then, yes, we have the issues that have been discussed throughout this debate on how we deal with the issues that have arisen. But as soon as my friend got up and said that in law – and of course he is right – a foetus is not a person, he lost me. He is a good friend of mine, but he lost me, because my position is different to that.

So, it is with a very heavy heart that I say that I will not be supporting my colleague's Bill. It is important, Mr Speaker, that I say that I am hugely grateful to the Chief Minister and to all my colleagues here who have not sought to whip me, who have not sought to bully me, who have not sought to put me under the remotest bit of pressure to say go this way or go that way. I think that is a sign of the maturity this side of the House in how we handle these sensitive issues. I am genuinely grateful for the respect they have shown me in my own beliefs, in allowing me to vote in the way that I feel that I should. It is not that it is ever happened before, because I have never been asked to vote in a particular way, but in this case I thought, well, they might just ask me on this one. But no, not even on this one has the Chief Minister or any Member of Government asked me to vote in a particular way.

2160 That is the responsibility, that is the leadership that this jurisdiction and this country needs. Not the words of passing the buck, misrepresenting and misleading the people of Gibraltar. No, it is completely the opposite. It is an open, transparent discussion where he set his views out absolutely clearly, as have all the Members in this House and everyone, with the exception of my friend Mr Phillips, who have done likewise.

2165 As I think the Chief Minister said, I very much enjoyed listening to the hon. Lady from the Opposition, because everything she said I could understand. It was logical, and I agree to disagree. I respect the views, absolutely, but I thought it was put across in a very sensitive, careful and good way, if I may say that.

2170 Mr Speaker, the referendum, as I have said, I am particularly grateful for, as it is an opportunity for further reflection and hopefully sufficient people to not commence the legislation that we are debating today.

2175 I also have to say thanks to the Inter-Ministerial Committee for the seriousness with which we have discussed this. We have had some very, very difficult meetings. We have had different views. We have argued with each other. But we respect each other and we do the responsible thing that being in a position in Government requires us to do; you have *got* to act responsibly. My thanks to all of them for having acted in that respectful and professional way.

2180 Mr Speaker, I do not seek to persuade anyone else or judge anyone else. I believe we are all mature and responsible citizens and we will each come to our own conclusions for our own good reasons. As I said before, I respect those of all sides and I hope and assume that they will respect mine.

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

Mr Speaker: The Hon. Trevor Hammond.

2185 **Hon. T N Hammond:** Thank you, Mr Speaker.

2190 I set out here to express my views on this Bill. They are very much my views; conclusions that I have drawn through a great deal of reading on this subject in the last 12 months or so since the idea of this Bill was put forward in the Command Paper and I very much respect that there are a whole range of views on this particular issue. Possibly no two people think the same way exactly on this issue – it is that varied. So it is difficult, these are my views, I very much respect the views of others and I have been in no way coerced towards these views either.

Mr Speaker, Article 12 of the Universal Declaration on Human Rights and Article 8 of the European Convention on Human Rights – which have already been alluded to – set out that:

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation.

2195 I should just make the point that here the word ‘his’ is actually the wording of the Convention, it is not my personal choice to use that word, but I shall just quote the Convention. Also that:

[1.] Everyone has the right to respect for his private and family life, his home and his correspondence.

[2.] There shall be no interference by a public authority with the exercise of this right except such as in accordance with the law and as is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

It is important to note here the wording is non-interference by the state. Nobody has a right to choose anything in particular, necessarily; it is about the right not to have your privacy interfered with.

2200 Now these are qualified rights. Your right to family life and privacy can lawfully be interfered with if it is in the interests of, for example, national security, as stated, public safety or the protection of rights and freedoms of others.

Actually, interference with this right frequently goes beyond even these serious examples. I am going to cite a couple of fairly frivolous examples: helmets on motorbikes we must wear, seatbelts for cars, being very minor examples of laws which if ignored would harm no one, but which are nevertheless imposed on us as, perhaps, infringements of our right not to be interfered with. The state also prevents us from taking certain substances to avoid causing harm to ourselves. It allows us to enjoy other substances which may be as or more harmful. Is this not interference with our privacy?

Of course the law also bans us from terminating our own lives. It is illegal to commit euthanasia, at least here and in most jurisdictions. Again, is this not an interference with our freedom with respect to this right? Yes of course it is, in my view at least.

Now I have deliberately used examples where only an individual would be affected by the application or otherwise of the law, not laws where the privacy or freedoms of others may be impinged upon by certain behaviours. The state interferes with our freedom of choice in many ways, and while we may proclaim such a right, the need to live in a social group imposes many strictures on this right.

This right is qualified. We are not automatically entitled to invoke it in every circumstance. Article 3 of the Universal Declaration of Human Rights and Article 1 of the European Convention on Human Rights set out that everyone has the right to life, liberty and security of person, and that everyone's right to life shall be protected by law. No one should be deprived of his life intentionally, save in the execution of a sentence of a court following his conviction of a crime for which this penalty is provided by law.

The right to life is not qualified, it is unequivocal. Killing another person in nearly every circumstance is wrong legally and morally. Even here there are exceptions of course. Self-defence may preclude legal sanction and will usually eliminate moral sanction. A soldier at war and the death sentence in some countries are further examples where the right to life is generally superseded by other imperatives – though there are many who would strongly argue against these examples and these are extreme and unusual cases. Few would disagree that we must all enjoy a right to life above *all* other things, above *all* other rights, because *all* of those things depend on being alive, and if life is extinguished any other rights is irrelevant.

So, there are extraordinary circumstances where it may be acceptable to take a human life; the right to life might be set aside. But the circumstances in which this might occur are far more limited than those in which the right not to have one's life interfered with are set aside. Here is a profound difference between the two competing rights which are apposite to this legislation.

Now it is true to say, and I think the Hon. Minister cited this example, that in 2017 the UN Human Rights Committee, composed of 18 experts, produced an interpretation on the right to life called 'A General Comment', which excluded the unborn child from Article 3 of the Declaration. That committee decided that it did not appear necessary to mention the Right to Life of the foetus. This was a significant shift from the previous General Comment of 2015, which recognised that states could adopt measures aiming at protecting the potential human life or the dignity of unborn children. It should be noted that about 100 countries protested the 2017 General Comment as an attempt to impose the practice of abortion. Those countries included the United States, Poland, Russia and Japan.

While the General Comment may be influential, it remains an interpretation of the Convention. It is not a convention of itself. In contrast, the 1990 Convention on the Rights of the Child, which I do not think anyone has referred to yet, reiterates the 1959 Declaration of the Rights of the Child saying:

the child, by reason of his physical and mental immaturity, needs special safeguards and care including appropriate legal protection before as well as after birth

Note, they do state in that Convention that the legal protection should extend before birth.
2250 This, from a convention ratified by the whole of the United Nations, carries more weight, surely for me, than the opinion forwarded by a committee of 18 individuals yet to be ratified. And this Convention is clear: before birth a child is to be given special safeguards and care.

An important point is the value we as a society place on pregnancy. From the moment a pregnancy is announced, there is great excitement and joy in family and friends. We await news
2255 as to whether all is proceeding well with a pregnancy with great anticipation. We deeply desire that mother and child are healthy throughout and are deeply concerned about any medical issues that may arise. Indeed, where a pregnancy ends prematurely, even at the earliest stages, we suffer great sadness and this affects not just the parents to be, but family and friends. In many cases we mourn such a loss.

2260 These are not the behaviours we would associate with the loss of something unimportant. These are not emotions we would experience if we did not consider these circumstances as anything but the loss of a life. Is the unborn child only valued if it is wanted? It brings to mind Swift's *Modest Proposal* where children are considered expendable to the needs of adults as they have no rights.

2265 A pregnant woman is carrying a life from the moment of conception. It is a human life because it carries all of the genes necessary for the creation of a person. We may argue over personhood and at what point this might exist, a far more complex question I admit, but from the moment a sperm and an ovum combine to form a being with a human XX or XY chromosome, we have a life. A single-celled organism is a life; that is a scientific fact. A parasite
2270 that can only survive inside a host organism is a life; that is a scientific fact. No argument will dissuade me that we are here, in this proposed legislation, dealing with the termination of a human life.

The International Covenant on Civil and Political Rights actually states that in countries where the death penalty applies, such a sentence should not be passed on a pregnant woman. It does
2275 not say that the sentencing of a pregnant woman to death is acceptable provided the sentence is carried out prior to the passage of a certain number of weeks; it precludes it entirely. This would not be so if no value were attached to the unborn child, if it were not already considered a life. Whether embryo or foetus, two weeks, 10 weeks or 24 weeks old, it is afforded special protection, such that the crimes of the mother shall not be visited upon it.

2280 There is no question that what this legislation proposes is a set of circumstances in which it will be legal to take a human life. I have already provided some examples where this might already exist and they are rare. If we are to expand the scope of circumstances in which a life could be taken, it must be done with the utmost thought, the utmost consideration of circumstances and the utmost application of intellectual rigor. Is this legislation morally right?
2285 Does it go far enough? Does it go too far? Will societies of the future look back on such legislation and consider it barbaric, as we now look back on aspects of our past and consider them barbaric? Is sentience relevant? Does awareness, the ability to feel, to hear, to see make a difference? I pondered long and hard over this as it might allow for a termination to take place at least at a time when we can be certain there will be no suffering; and this might be more
2290 acceptable. And the point here is that if we inflict suffering then the act of termination is all the more concerning.

The measure of suffering is something that we apply in many circumstances and not just to humans. We do not wish to see animals suffering; at least the vast majority of us do not. My understanding here is that it is at about eight weeks when an embryo becomes a foetus; that it
2295 becomes sentient in at least a primitive sense. So already, at least according to this measure, the seemingly arbitrary choice of 12 weeks for allowing a termination in the circumstances described in the legislation, is a worry. I have raised this point only to demonstrate that I have considered

it and for some time was persuaded by it. However, with further consideration I have found myself forced to discard it.

2300 I would like now, Mr Speaker, to turn to the specific circumstances described in the legislation, which are designed to limit the freedom to have an abortion and I accept that there may be circumstances where a life could be terminated through abortion. I have, after all, described other occasions where it may be acceptable to terminate a human life. Where the life of the mother is at risk at any point during the pregnancy, yes of course there must be a right for
2305 a woman to protect herself in these circumstances and the law must allow for it. It is a form of self-defence and a woman must have access to medical and social care and support to deal with this most terrible choice.

The circumstances where continuation of the pregnancy might lead to grave permanent injury to the physical or mental health of the pregnant woman should be similarly treated. In the
2310 case of mental injury it is not so straightforward to determine whether this outcome is probable or even likely. A great deal of supportive counselling should be made available to a woman, of course, where she is facing such a choice, as the termination in itself can cause grave and permanent injury to mental health.

2315 **A Member:** So you are voting in favour?

Hon. T N Hammond: I am not finished yet – where a decision to terminate is made (*Interjection*) because there is a substantial risk that the child is suffering from fatal foetal abnormality, again the woman will need a great deal of support having had to make such an
2320 awful decision – because there is no denying, it is an absolutely awful decision to be confronted with such circumstances. These are all circumstances where the choice to be made by a family is horrible, situations in which none of us would wish to find ourselves or our loved ones in them and the law does need to provide assistance in these circumstances.

‘That the pregnancy has not exceeded its twelfth week and that the continuance of the
2325 pregnancy would involve risk, greater than if the pregnancy were terminated, of injury to the physical or mental health of the pregnant woman’ – this particular clause gives me a problem, because it is very open to interpretation, particularly the mental health aspect. A number of contributors today have noted that fact and I did note that the Minister himself actually attributed the necessity for this particular clause to rape and incest. I cannot agree with the
2330 Minister that we cannot specifically legislate for the circumstances of rape and incest and that we need a clause as vague as this, which is, whether we like it or not, the clause that is cited in the UK legislation as the abortion on demand clause. Far too broad a scope for allowing terminations, in my opinion.

2335 So for all the reasons I have stated earlier, I am afraid it leads me to be unable to support this Bill.

Thank you, Mr Speaker.

Mr Speaker: The Hon. Gilbert Licudi.

2340 **Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi):** Mr Speaker, we have been debating this issue for a while, and a lot has been said on both sides of the House. The points, for the Government, have been clearly set out, firstly by the Minister for Justice, subsequently by the Deputy Chief Minister and also by the Chief Minister; and some aspects of that were also covered by my hon. and learned Friend Mr Isola. It certainly is not my
2345 intention to rehearse those arguments for or to repeat. We have had enough of repetitions already today, but there are essentially only three points – I will be brief – only three aspects of what we have heard in the debate today that I want to just touch on very briefly.

But before I do so, Mr Speaker, I want to say that I am very proud to be part of a Government that respects plurality of views in the way that this Government does. Today has seen a

2350 demonstration of that, and it is a particularly proud day in that respect – particularly with the manner in which the debate, in most respects, and certainly on this side of the House, has been handled with due recognition of not just there being two sides of the argument, but as the Deputy Chief Minister put it, there are more than two sides, more than two arguments, that need to be taken into account; and certainly what I consider the very respectful way in which all
2355 sides of the arguments have been put and alluded to by this side of the House, whether or not we agree with some or all of those arguments is another matter.

We could not have a clearer demonstration of the Government and a party – in this case two parties – that does really respect that plurality of views, than my colleague Mr Isola, having indicated that on a Government Bill he proposes to vote against for very clear and heartfelt
2360 reasons, which we obviously respect, and accept that he is entitled to take those views in the circumstances of the debate that we have seen today. So what we see today is really not just respect, but democracy in action. We should all be very glad and very proud of what is happening here today, at least in terms of the debate.

I mentioned that I wanted to touch on just three short points. One is just to pick up on a couple of issues raised by Mr Phillips; a second, about something that has already been mentioned, that abortions are happening in any event; and lastly a point that Mr Feetham made about what he suggested, an inherent contradiction between the Government's position relating to the constitutionality of the reasons for bringing this Bill and also at the same time saying we are having a referendum
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Mr Speaker, some of the points that Mr Phillips has addressed us on today have already been dealt with. But in a nutshell his argument was that we have been misleading our population, that Government's position is, in his words, false and misconceived, and in relation to the proposed referendum, which is going to be moved by the Minister for Justice at the committee stage, what Mr Phillips has done is echo the views expressed by the leader of the GSD; that in that
2370 referendum people will be voting on a false premise. And that, in my view Mr Speaker, is a sign of disrespect of the electorate.

It is a suggestion that people can somehow be hoodwinked. That people can somehow be fooled. We can pull the wool over people's eyes with our arguments, with our misleading statements, with our false premises and everybody will go along to the voting booths with those
2380 blinkers on and do what we have told them to do. That in my view, as I have said, is disrespectful.

They have called for what they have described as a clean and honest debate, and Mr Isola is right. Mr Phillips did say that when we go to this referendum, we will be placing our community in handcuffs. Those were his words. And that we should have an unrestrained debate – again his
2385 words. As if they are restrained in any way in setting out their views to the electorate. As if we are going to take people to the voting booths in those handcuffs and force them in the manner in which they have to vote.

Does the Opposition not realise that they have a role to play in this debate? That they will set out their views? They may well disagree with us and they will set out their position to the electorate, who I am sure and we will trust, will understand the issues and will vote, some of
2390 them with their consciences, some of them having looked at the arguments in the debate and taken a view one way or the other. But when they come to vote, as we have already said, we will have had not just a clean and honest debate but a fullest debate possible on these issues and people will vote knowing exactly what they are voting for.

Therefore it is wrong to suggest, as Mr Phillips has been suggesting, that we are in some way capable of fooling the electorate in this particular way. That is as far from the truth as it can ever get. But having said that we are misleading, that Government's position is false and misconceived, he then goes and tells us that he does recognise that if this matter ended up in the Privy Council they could agree with the Government's position. They might do. Well, if the
2400 Privy Council could agree with the Government's position, that is a recognition, at the very least, not that he agrees with the Government's position, but that the Government's position is legally

tenable and arguable. If it is legally tenable and arguable, how on earth can it be described as false and misconceived? (**Hon. Chief Minister:** Hear hear.) That is a direct contradiction in terms.

2405 You might not agree with our argument – he might not agree with our arguments – but we think that that is the reality of the legal position that has been taken, particularly as a result of the Northern Ireland position. But what the hon. Member cannot do is say what we are doing is false, but the Privy Council may agree with you. It is a blatant contradiction. On the suggestion that the hon. Member, the Leader of the Opposition has said on a separate referendum – that there should not be a Bill, there should be a referendum – we had the arguments already before
2410 about what kind of referendum. Mr Isola has made the point that we just could not understand what the suggestion is.

When you have not just a Bill, but he will now understand as result of the explanations given by the Chief Minister, there will be an Act. Clear terms, an Act with these particular provisions, 12 weeks and all the other limitations set out in the Act. The commencement of that particular
2415 Act is what people will be asked to vote for. What is the alternative and what is it that the hon. Member is proposing? The reality is that we do not know. But let's speculate. Keep the status quo, the law as it is, or change the status quo. That is exactly the position that was faced by the UK in the Brexit situation. Brexit or no Brexit. Leave or Remain. Status quo, you stay in the European Union, or you leave. What does leave mean? Nobody knows even now. They did not
2420 know then, they do not even know now three years later.

So what is it that the hon. Member wants to put in that ballot paper on the referendum? Status quo, no status quo. What is no status quo? 12 weeks? 16 weeks? 24 weeks? What are the limitations on demand or we put a long list in the ballot paper so that people can tick it off? Why is it that hon. Members come to this House to make a case for something and do not even
2425 explain what that something is and what the consequences of that something is. (*Banging on desks*)

How can anybody agree with him and take that argument seriously? It is impossible. And we have seen the effect of having that kind of referendum already and the negative effects that this brings. At least this referendum will have the effect of certainty. And that is what referenda are
2430 supposed to do lead to certainty. You decide one way, you act in one way, you decide in another way, you act in the other way; and you result in certainty having canvassed the views of the electorate. That is what the democratic societies do.

Second point, Mr Speaker, is the issue about – as addressed in particular by the hon. Lady – about some people going either across the border or to the UK and having abortions in any
2435 event. It is clear that it is something that we cannot ignore. But there is one point which I do not believe has been mentioned yet but I think it is important in that context. When people go – when women, not people – when women decide to make that particular choice for whatever reason, whatever the circumstances of that particular case, that woman, that girl, takes the decision and goes outside Gibraltar to have the procedure performed.

2440 That person does so, and we have seen, as far as we know, there have never been any prosecutions in Gibraltar for that. There is, as far as we can gauge, no breach of Gibraltar law. But those people go and do so subject to the laws of other countries. Why should we subject women in Gibraltar to have to carry out procedures subject to the laws of the other countries? Whatever the parliament in Spain says, that is the condition that our women are subjected to?
2445 Whatever the Parliament in the UK says, those are the conditions that our women are subjected to?

Our women who take these serious decisions, and I am sure that nobody takes it lightly, should be subjected to the laws of the country that they live in: Gibraltar. And we should provide the necessary limitations, restrictions and safeguards that are compatible with our residents. It is
2450 no less than our women and our girls deserve: to be protected by our laws and not have to face the consequences of laws in other jurisdictions. Our laws should apply to them and not other laws.

The last point, Mr Speaker, is Mr Feetham's suggestion that there is an inherent contradiction to say that there is constitutional compulsion in bringing this Bill, but that there should be a referendum. I must say that I have some sympathy with that view, because it is something that has troubled me. During the course of our arguments, when we have looked at the Northern Ireland case, and we have taken a view ourselves that for Northern Ireland in some of them is the paragraphs that have been read, you read Gibraltar. And for the Offences Against the Persons Act of 1861 you read the Crimes Act of 2011. I ask myself, well, if all that is true, and our position and our belief is that this is incompatible with our Constitution, then we have a responsibility to act. We have a duty to act if that is our view. Therefore, I have had reservations about the issue of the referendum.

Again, it shows the plurality of views, the difference of views that we have had and the honest debate we have had ourselves before coming to a particular conclusion. The conclusion that we came to as a Government was that we should have a referendum. That is a conclusion that I will support an exercise of collective responsibility. But not just that, but because I am satisfied, despite my reservations and despite having sympathy with the hon. Member's proposition, that what we cannot be, as a Government; although we can take a view, we cannot be absolutely certain. (**A Member:** Exactly.) That is the point that the Minister for Justice said.

So in recognition that we cannot be absolutely certain about the true position, in recognition of the passages in that judgment that talk of margin of appreciation and moral values of a community and the hon. Member's argument that we cannot simply transpose the moral values of Northern Ireland to Gibraltar – in recognition of all of that – I have come to the view, despite my reservations, that it is right that we should have a referendum and we should let the people decide.

That is what democracy is all about and that is what this Government is doing and I am proud to be a member of it.

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

Mr Speaker: The Hon. Edwin Reyes.

Hon. E J Reyes: Mr Speaker, my view is that this Bill is neither necessary nor desirable.

This Bill does not help unborn children and it does not help women. It is a radical Bill that the Supreme Court has not asked for. It is something that women have not asked for and that Gibraltar as a whole has not asked for. I implore this House to reject it. We must send a message to women and to the unborn children of Gibraltar that we are here to offer them protection. We must send a message to the people of Gibraltar that we represent the collective values of our society as a whole.

Mr Speaker, I asked a question, where does this Bill come from and who has asked for this? Some of the views expressed today have led us to the conclusion that the Supreme Court requires us to pass the Bill. But yet my colleague Mr Feetham has said that he disagrees with that and went on to express his opinions, and I must say I share those that he so eloquently put out before.

We are now at the position that – if I start to look into statistics and estimates and so on – the passing of this Bill would probably result in about two abortions taking place in Gibraltar every week. That would take us to roughly 100 terminations in a year. Mr Speaker, there are thousands of Gibraltarians alive today who would not have been born if this law had been introduced the same as in the UK back in 1967.

Mr Speaker, there are over 6,000 Gibraltarians who have signed a petition that was laid here in this Parliament in support of the right of life of the unborn child. Mr Speaker, there is not any evidence that abortion helps women if we just give abortion on the grounds that have been placed on the Bill. On the contrary, statistics show that 98% of the abortions that are carried out

in the UK are carried out on the grounds of mental health and the evidence shows that abortion actually worsens a woman's mental health.

In England, we are seeing about 200,000 unborn children killed every year. We are seeing millions of unborn children, beating hearts ended, hearts that start beating just three weeks after conception. We see 9,000 babies each year killed by dismemberment abortions, where the baby is torn apart limb by limb by forceps and the skulls crushed before or while exiting the womb. We have seen sex-selective abortions offered, we have seen 90% of babies diagnosed with Down's Syndrome killed. We are seeing hundreds of babies born alive each year and then left to die. We are seeing their bodies burned and incinerated to help heat hospitals. Just in the last few weeks, we have even seen a High Court judge attempt to force a woman to undergo a late-term abortion against her will, only overturned at the very last minute by the Court of Appeal. Mr Speaker, this Bill takes us 90% of the way there, with only the slightest of modifications offered, in order to present this Bill as moderate. It is nothing of that sort.

This Bill betrays Gibraltarian children by taking their lives. It betrays Gibraltarian women by subjecting them to a traumatic medical procedure, increasing their risk of suicide and death several fold. This Bill, in my opinion, is not pro-woman, it is not pro-child, it is not pro-Gibraltar. Mr Speaker, this Bill betrays us by straightforwardly deceiving us about the legal obligation for such a Bill in order to sell the idea that caters for just one part of the community.

Mr Speaker, no one else in Gibraltar can back this Bill to the extent it has been presented and I still believe that this Bill is neither necessary nor desirable. This is not progressivism. This is not democracy. This Bill is anti-woman, anti-child and anti-Gibraltar. Mr Speaker, in all the contributions that have been made by those wanting to support the Bill, not a word has been said about the right to life and legal protection of the unborn child. Mr Speaker, this issue of abortion is not just solely a woman's issue.

Mr Speaker, I conclude by saying that I find it impossible to subscribe to a philosophy that believes that the destruction of human life is a legitimate solution to a problem that is mostly social, economic and sociological. In reality, most women choose abortion because they believe they have no other choice. So therefore, Mr Speaker, it is the duty of this House to show true compassion, to help people in difficult situations and not just offer an end to life, especially the life of their children. *(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, let the House be in no doubt that in my case, too, this is the one issue to which I have given most thought and consideration in my time as a Minister in Her Majesty's Government of Gibraltar and indeed the most difficult one. Given the subject, the fact that I hold religious beliefs and a huge amount of public debate, this will not come as a surprise except of course to Mr Phillips, who does not think that any of us have given this any thought at all; something to which I take great offence. Well Mr Speaker, I will explain the journey that I have been through.

As a biologist and in scientific speak, I know that a new organism is formed at the moment of fertilisation with all the genetic material capable, if the environment is right, of developing into an adult of the species. This is of course true in the human species. We call it conception and the juvenile form of the child begins its life and continuous growth to adulthood from that moment. As a practising Catholic, I respect the teachings of the Church. I believe in the sanctity of life from its beginning and the importance of considering the life of the unborn. As a caring human being, I care about pregnant mothers faced often with the anguish of taking an often heart-wrenching decision on termination of their pregnancy.

As a freethinker, I believe in the freedom of choice of every individual in taking decisions about themselves, their bodies and their lives and the well-being of those around them; families and friends. As a Christian, I believe in that basic tenet of Christianity, free will. As a socialist, I do

not subscribe to imposing my beliefs on everyone, indeed on anyone. I know that no matter how strongly I may believe something or in something, I may be wrong. Indeed in humility I cannot assume that I am right and that everyone, nay anyone, else is wrong.

In what I have said so far, Mr Speaker, I have made arguments that are used by both of what have come to be known as the pro-choice and the pro-life movements, seemingly so far apart. Therein, Mr Speaker, the conflict within me.

Mr Speaker, I believe that termination results in the death of a human being at an early stage of its, his, her development. As a Christian, I care passionately about the suffering that may face a young woman considering a termination, an anguish that, depending on circumstances, can be desperate, life-threatening, life-changing, with serious and often dire consequences for her and her family. Mr Speaker, try as I might, pray as I might, I cannot reconcile the two. I believe in freedom of choice. But then if the choice is to terminate I know that a life will end. But in certain circumstances if the life has not ended the suffering may be intolerable. The mother's life may be at risk or the rest of her life and those of her loved ones may be seriously affected in a terrifying way.

Mr Speaker, I listen to some of the arguments from those who base them on religion, and then I think that the Church, within limited conditions, will sanction the just war, *jus ad bellum*, where thousands of innocents may die. **(A Member: St Augustine.)**

So, Mr Speaker, how does someone, at the same time a practising Catholic, a freethinker and a progressive socialist, conflicted and placed in the unenviable position of being one of 17 people having to vote on this Bill – how can someone like that; how can I – respond? Mr Speaker, the only way is a pragmatic approach. Looking at the reality of the situation in the face, not what I may like or not like. Because I have a duty as an elected representative of the people to look beyond my own beliefs and I have to leave that to one side and consider this: what is the practical consequence of this Bill passing or not passing on the people who I represent?

Mr Speaker, in many ways the fact that the Bill now provides, or will provide, for a referendum passes the baton on to the rest of the community, so that it will not be just 17 who decide, but thousands, and I will have one vote in that referendum where I can vote however I feel in conscience.

Sure, some of course argue that these are issues that are not for a referendum: that right is right and wrong is wrong. So therefore, I have no recourse, but to go back to pragmatism, Mr Speaker. We are not living in a vacuum, nor are we living in the 19th nor the early 20th century, nor in a community so isolated that what does not happen here will not happen somewhere else. The fact is undeniable that regardless of whether it is right or wrong, abortions are happening. A pregnant woman in Gibraltar who wishes to have an abortion will have one. It may be in Spain or in the UK, but it is available legally in those countries under their law, and it is happening and will continue to happen whether this Bill passes or not. In most cases, it is done secretly, in hiding, without the proper advice as to options; without the right support and at the fringes of legality for that part of it that happens in Gibraltar.

This is not right. It is not right for the decision, for the mother, for the child or for the family. If women are going to have terminations, Mr Speaker – and let's face it, they will – this must not be done surreptitiously. It must be as openly as the woman wants without the fear of arrest, trial and imprisonment, and with full, open access to advice and support which can be asked for and provided openly and without threat or fear. Mr Speaker, bringing abortion into the open will not make it right or wrong. It will recognise a reality, a fact, not an opinion and allow society, religious and secular, to deal with it with understanding and compassion.

In the circumstances that this Bill proposes, I firmly believe, Mr Speaker, that given that there will not be the presumed shame of doing something illegal, women will be more likely to seek advice and access advice and support, including advice on alternative choices. **(Hon. N F Costa: Hear, hear.)** Therefore, Mr Speaker, I am convinced that it is much more likely that the number of abortions in the Gibraltar context will decrease rather than increase. Even more certainly, Mr

Speaker, not passing this Bill will neither stop nor reduce abortions in our community. If we think otherwise, Mr Speaker, we are denying reality and are but fooling ourselves.

2610 It must, Mr Speaker, go hand in hand with enhanced counselling and advice, which I commit to providing in those areas for which I am politically responsible. There will be enhanced education, school counsellors are at the point of being appointed and this will continue. I genuinely believe that this practical approach is the only solution to my dilemma. That recognising the reality of the situation is the only way to bring together all sides, which from the widely diverging perspectives could in fact work together in providing the support that women
2615 in these situations need now, regardless of the law.

It is not about 'quedar por encima'. It is not about saying proudly or shamefully, depending on how you see it, 'Gibraltar has no abortion laws' or equally proudly or shamefully, depending on how you see it, 'We got an abortion law in Gibraltar through'. That, Mr Speaker, is not the point. This is about real people in real situations. It is not about one side winning and the other
2620 losing. It is about not burying our heads in the sand and not hiding the lamp under the bushel. It is about accepting the reality and working to help those who really need the help. It is not about choice or about life. It is about love and compassion which transcend any legal instrument.

And so, Mr Speaker, it is with love and understanding for all the sides in this debate, not hiding from the different views and the heartbreak, but looking reality right in the eye after a great deal of thought, and believe me, Mr Speaker, a great deal of prayer, that I will support this Bill. *(Banging on desks)*

A Member: Hear, hear!

2630 **Mr Speaker:** The Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, I am of the firm belief that we are all here to pass laws that will benefit the majority in our community and also protect the minorities in our community. I believe that is something we should have at the top of our minds when we debate and pass any
2635 legislation in this House.

Mr Speaker, I am a great fan of Edmund Burke, who famously told his Bristol constituents that 'I am here to exercise my judgment, not yours'. But Mr Speaker, as has been said already in this House, none of us here actually has a mandate from the people to change the status quo. Looking at the explanatory memorandum, it starts by saying, 'This Bill arises from a finding'.
2640 Most of the other Bills that come before us are couched in much more positive terms. 'This is a Bill to enhance', 'This is a Bill to provide for', 'This is a Bill to provide benefits'; much more positive approach in tabling a Bill to the House.

I confess I am not a lawyer and I certainly do not pretend to be one, I have no desire to be one. But a lot of what has been said today is couched in legal terms. Mr Speaker, we have heard
2645 a lot about the need for political honesty, and to an extent I can sympathise with the hon. Lady's view that perhaps this should be a debate, not about what the Supreme Court thinks, but what we as a community think and what laws we want in Gibraltar. Is there actually any requirement, Mr Speaker, to copy what has been done elsewhere? I have a lot of sympathy with what the Hon. Minister Licudi said, in that we should be passing, or doing what we do, under our own
2650 Gibraltar laws, not the laws of other jurisdictions and I agree with him on that point.

But Mr Speaker, we have heard lots of terms today – some of which, to be honest, I have heard for the first time myself – things about the margin of appreciation, moral values, in terms of where the balances as to whether things are constitutional or not. Mr Speaker, the Hon. Minister Licudi says, in terms of being unconstitutional or not, that we cannot be certain. In that
2655 case, Mr Speaker, we really should be seeing those legal opinions that the Government I am sure must have, that say these are your options and these are the legal risks. There is also talk in the UK on Brexit legal opinions; I do not see why the Government cannot publish its own legal opinions on what is an extremely important matter for this community.

Mr Speaker, a Bill that is only three pages long is occupying disproportionately a lot more time than the Financial Services Bill, which runs at over several hundred. But the reason for that is this is a very, very important issue to this community. We have heard words of political honesty, and yes I agree, we need to be honest. We need to be honest with ourselves and we need to be honest with the community. But everything I have heard so far, Mr Speaker, in terms of the reasons for this Bill, have been about fear: fear about the Supreme Court ruling in the UK; fear about it being unconstitutional; and even more bizarrely, fear of direct rule.

Mr Speaker, either we in this House believe that this proposed Bill is for the benefit of our community and is a law that our community desires or it is not. Is this actually legislation that will be imposed upon us? Mr Speaker, this is why I also have a major problem with this Bill, because the way it is presented to the House, Mr Speaker, is in very negative terms. It is saying, Mr Speaker, if we do not pass this Bill it will be imposed upon us. This is again why I have some sympathy with what Mr Licudi is saying: he says, well actually, if it is unconstitutional, why have a referendum? Because we will have an actual duty to pass this into law, whether we all like it or not.

This is where I find some of the arguments have been made today, and again I am not a lawyer, I do not claim to be a lawyer, I have no desire to receive a QC, honorary or not.

Several Members: Ooh! *(Laughter and interjections)*

Hon. D A Feetham: There's your QC out of the window. *(Laughter)*

Hon. R M Clinton: Thankfully Mr Speaker, I will never have that dilemma.

But Mr Speaker, how – *(Interjections)* I have no problem with that Mr Speaker, I am very proud to be a bean counter.

Mr Speaker, I would like the Minister honestly to answer this question for me: what happens if this Bill goes – or the Act, as he says, once it is passed today, since he seems to have the majority he desires – once this Act is passed and goes to the people, and the people say, 'Well actually, thank you very much, we have read it – you know what? We do not like it, no.' Oh my God, it is unconstitutional! Oh my God, we are going to have direct rule! Is that what is going to happen? Is the UK going to suddenly say, 'Well, I am sorry guys but you have to pass this Bill'? Is that the legal reality? Because if it is, we are wasting our time.

Is that the honest truth, Mr Speaker? That is what I need to know. In all honesty, can the Minister tell this House that there is a threat of direct rule if we do not pass this Bill in this exact form? If there is not a threat of direct rule, he should tell us, because the Chief Minister is making a big song and dance about to it saying, 'Oh my God, if we do not do this, shock horror, we will have direct rule!'

Mr Speaker, either we in this Parliament are here to legislate for our people or we are not. I think we need to know the answer to that question. So I really need the Minister to answer the simple question that if the people of Gibraltar reject this Act, will there be any consequences? Because if there are no consequences or there are consequences to rejecting the Act, then the referendum is frankly meaningless. Because if the people of Gibraltar do not give the right answer, they will have this imposed upon them, by the Chief Minister's own logic.

I would like an answer to that question, Mr Speaker. I will say I cannot support the Bill in this form.

Mr Speaker: Right, I will now call upon the mover – oh sorry, yes; I have got a note here. The Hon. Samantha Sacramento.

Minister for Housing and Equality (Hon. Miss S J Sacramento): Mr Speaker, my hon. Friend the Minister for Justice as the mover of this Bill has already dealt with the substance of this in great detail and we have all, on this side of the House, dealt with this at great length. Therefore,

Mr Speaker, this leaves me to be concise in my contribution. And my contribution to this, Mr Speaker, is as a Member of Parliament, as the Minister for Equality and as a woman.

Mr Speaker, abortion is an issue for many women. But it is of course an issue for everyone and that is evidenced by everyone who has engaged in this debate. This debate, of course
2715 needful to say, is an incredibly emotive one on both sides of the argument. It is an important and a serious one. As such we have met as the Inter-Ministerial Committee and consulted with interested parties at length, as well as debate of this matter among ourselves. Insofar as consultation, Mr Speaker, as you have heard, it has been substantial and substantive, and I am grateful to everyone who has engaged with us, given us the opportunity of their views and the
2720 opportunity for us to have the real and meaningful engagement which we have.

This Bill, Mr Speaker, provides a framework to provide for abortion in the limited circumstances as defined. It is a framework that has never before existed and it is therefore important that it does. This Bill does not, Mr Speaker, as we have heard, subject anyone to have an abortion, nor does it force anybody to have one. Abortions, Mr Speaker, as we know, have
2725 always happened and I dare say that the reality is that they will continue to occur irrespective of this proposed legislation. This is why, therefore, Mr Speaker, it is important that the framework is in place. Indeed, Mr Speaker, I dare say if anything there is a probability that this legislative framework, and more importantly perhaps the resulting changes offering support, may actually result in the reduction of women choosing abortions. (A Member: Yes.)

But for me, Mr Speaker, in the context of the debate, the proposed legislation is but one factor and there are others that are equally important. This, as I see it, is important progress that we have made as a result of the debate in addition to the legal framework that is being proposed, because I have no doubt that anyone who considers undergoing an abortion will not take such a decision lightly. We must therefore ensure that advice and support mechanisms
2730 exist. As such, our duty is to inform on such options. But these can only work if a choice is available to begin with. As my hon. Friend Mr Costa says, this is not just any procedure that the Bill will provide for and it will not be taken lightly.

First of all, Mr Speaker, it is important that we understand the issue of unplanned pregnancies, and I know that the Minister for Education has done a lot of good work to advance sex education in schools to make it more relevant and effective. However, to suggest that
2740 circumstances of unplanned pregnancies only apply to young girls is wrong and we must move away from this stereotype if we are to serve the process with the justice that it deserves. We must therefore look beyond that, so that in the event of an unplanned pregnancy, it is not automatically an unwanted pregnancy. This is where I think it is very crucial that the changes – the policy changes – that we have introduced will make a significant difference to women
2745 beyond the law. Mr Speaker, it has been said that people choose abortions because they feel that they have to do this because they have no other choice. This may very well have been the position up to now. But this is precisely why choice and the support framework is important.

Significantly, the changes that we have made beyond the legislation and the additional support are as a result of the focus which has arisen from this debate and on the back of this proposed legislation. This I think, Mr Speaker, will make all the difference to those who may be considering an abortion. And importantly, that they be aware of these other options. But ultimately, where a woman feels that it is necessary to do so, Mr Speaker, it is important that they have the choice available to them. These new support systems, Mr Speaker, have been
2750 introduced by way of counselling or support by the Care Agency or changes by the Department of Education.

We have heard the Minister for Health and the Minister for Education go through these in detail. I on my part, insofar as providing support to women in my Departments, when they may be considering socioeconomic circumstances as a factor when considering abortion, have looked
2760 at the Departments that I am responsible for and we have looked at our procedures in the Housing Department. Similarly our proposals to review existing maternity leave provisions and

extend these to priority and paternity leave, again Mr Speaker, I think will be an important factor.

2765 But Mr Speaker, ultimately, this proposed legislation is about choice and it is therefore necessary and important that this choice is available. And Mr Speaker, on that basis I commend this Bill to the House. (**A Member:** Hear hear.) (*Banging on desks*)

Mr Speaker: The Hon. Neil Costa. (*Interjection*) Oh, the Hon. Sir Joseph Bossano.

2770 **Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano):** I was not planning to speak, Mr Speaker, because I thought everything had been covered. But I think there is one point about the position of the Opposition that I have difficulty in understanding.

2775 I would like to deal with the question of whether we have a mandate, which the Hon. Mr Clinton suggested; we should not be doing this because we do not have a mandate. We did not have a mandate in 2015 to do anything about Brexit. We did not know it was going to happen. And therefore, when you are in Government, what you put in the manifesto is not in fact something that reflects everything that is going to happen in the next four years except the economic performance, which is what I put in and is always right. But everything else is based on
2780 the policies that we want to put in and then having to deal with things that happen which were unexpected. Certainly the ruling in the United Kingdom which has been referred to, and which the advice we have got is something that is capable of being directly applied in Gibraltar in comparable circumstances, was not something we knew in 2015 was going to happen. So we have to deal with that.

2785 But when there is the issue of whether we should legalise something that is legalised in most of Western Europe here in Gibraltar, we had not taken, previously, a position on saying 'Yes we are going to legalise it', in the knowledge that it was something that there was a substantial body of opinion here in Gibraltar that was opposed to it and that therefore it is the people who were against it who were insisting – from my personal knowledge of the debate, before it has
2790 become as obvious and as open as it is now – who were insisting that something as serious as this should not be decided by a Government and an Opposition vote. I mean, something like introducing the right to abortion should not be a matter where a majority of three people should decide.

But it was predominantly the people who did not want it to happen that took that position.
2795 The people who were calling for a referendum through all the occasions when this thing has surfaced has been the ones who felt that if a Government came in with a manifesto commitment to do it, it is not the kind of thing that should be allowed to happen without testing public opinion. Therefore it seems to me that since they are all ... or possibly all but one, because Mr Clinton has not said that he is against it, he says he is unhappy with the Bill, but he has not
2800 said 'I am against abortion'; all the others have said they are against abortion. So therefore the policy of the Official Opposition is that they oppose by a majority or by unanimity, presumably they would give the freedom to any individual if he felt differently, that they would oppose it. If they were in Government there would not be a need for a referendum because not doing it does not require a referendum. Doing it requires a referendum.

2805 So if we had decided that we wanted to do this, we would have taken note of the fact that there was a strong enough opinion that needed to be tested to make sure that we were representing a majority view. If that is indeed amongst those who feel this should not be done, because they believe passionately that it should not happen, then the safeguard that they have got is that they have got the opportunity to persuade others that the Bill should not actually be
2810 given effect. And if indeed, it is something that we should be doing because that is the legal opinion that we have got, then that position is not that the United Kingdom is going to suspend the Constitution like they did in the Turks and Caicos because of this. The position is that there

will be an argument based on the result of the referendum of why there was a conflict of doing something which a majority of the people did not want done.

2815 So I think, essentially, what we have is a safeguard for those who do not want it to happen. Because those who want it to happen do not need a referendum. If the majority of the people on Gibraltar want this to happen, then the view of the minority that does not want it will not change. But there are two important issues in this question of a referendum. One is, what is the right of people ... why should males tell females that they cannot have an abortion? Why? Who
2820 are we to say it? It is not our body that is doing it. So it is in fact gender discrimination of the first order when the people who cannot be put in that dilemma tell the ones who can they are not permitted to do it.

But the reality of it is that there is not and there has never been until now in Gibraltar the level of debate about this and what we have been living, as I think the hon. Lady said, in a hypocritical situation of looking the other way and pretending that it was not happening, in the knowledge that everybody knew that it was happening. In fact part of the reason why the people do not have it here, independent of whether it is available or not, is because more people are going to find out if it is here than if it is elsewhere. And that is another reality in the hypocrisy of the situation. But I have to say that the honest thing for the people on the other
2830 side to say is that if they go to an election they would not have a referendum and they would repeal this law and there would be no abortions available in Gibraltar. Because that is what had been reflected today and that is what they should have the courage to say in the election when it happens this year.

2835 **Several Members:** Hear, hear. (*Banging on desks*)

Mr Speaker: Now, the Hon. Neil Costa can exercise his right to reply.

Minister for Health, Care and Justice (Hon N F Costa): Mr Speaker, thankfully my honourable and learned colleagues have already canvassed a lot of the matters that I would have raised myself, so I will try to limit my contribution to what has been left unsaid until now.
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I have to say, Mr Speaker, that the Hon. the Leader of the Opposition seemed angry in his contribution, almost as if there were people to his left listening to what he had to say. There was an almost a feel of theatrical appearance to his contribution on this occasion. He said that the debate had been missing, that it had not been given thought, that we were misleading, that there should be unrestrained debate; and I have to ask the question of where the hon. Gentleman has been over the last 18 months. He said that we have not taken soundings. Mr Speaker, we have taken more soundings and consulted more people on this one issue that they consulted people in the whole 16 years of GSD Government and they know it. (**A Member:** Hear
2850 hear.) (*Banging on desks*)

The reflections took over a year. We published a Command Paper which had 103 responses. We changed; we presented a Bill that was different to the Command Paper factoring those responses and the people and associations that we met. Mr Speaker, the Hon. the Leader of the Opposition said, and he kept phrasing his speech in terms of 'it is argued'. It is argued this, it is argued that; it is not that we are arguing anything. We are dealing with a reality of a Supreme Court Judgment that has made remarks and conclusions which are, as we have all said, highly persuasive. No one on this side of the House has said that the Supreme Court decision is binding. No one has said that.
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But the Hon. the Leader of the Opposition said, and he stressed the words Privy Council to cast doubt on the Supreme Court decision; he said the Privy Council should make a decision, as if to suggest that the Privy Council is anybody other than exactly the same people that sit at the Supreme Court. So he knows, Mr Speaker, he knows very well that if he were advising a client in the privacy of his chambers, he would be telling him or her, 'Look, the Supreme Court Judgment, of course it is not binding, but any Supreme Court Justice in Gibraltar would find the conclusions
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2865 highly persuasive and therefore we must take account of those conclusions', and he does know that, Mr Speaker.

He said that the manifesto does not provide for us to provide a law in the terms that have been published in this Bill. But as the Hon. Mr Bossano has said, the manifesto cannot possibly have in it every single eventuality that the Government will have to deal with in the future. The
2870 manifesto, for instance, does not tell me of what I should do in the event of an emergency in the hospital. But nonetheless, whatever the reality is, I need to be able to act to that event, whether or not it is reflected in the manifesto. *(Interjection by Hon. Chief Minister)* Yes indeed, Mr Speaker, we could cite many examples of matters that were not in GSD manifestos, but that in fact were taken ahead by the GSD when they were in Government.

2875 He said, and I quote, 'the Bill is an affront to democracy'. Mr Speaker, the Bill cannot possibly be an affront to democracy. The Bill is democracy, Mr Speaker, because the Bill comes on the back of consultation, on the back of a Command Paper which had 103 responses, which led to meetings, to further meetings, to extensions of time-limits, so that everyone had the opportunity to put to the Inter-Ministerial Committee what they thought.

2880 Mr Speaker, for the hon. Gentleman to say that we have been disingenuous in this process and that we have not given it any thought is the misleading statement because we could not have given any more thought possibly to any one issue. This Government has had 18 months of considering this issue backwards and forwards, left and right, Monday through Sunday, and it has been an agonising and exhausting exercise because we had to properly understand what it
2885 was that we were doing here, Mr Speaker. And he will have noted that I did not mention the Opposition at all in my contribution because the matter is so sensitive, the matter is so serious, that it called for a contribution that did not demean the quality of the debate by politicising it.

And yet the Hon. the Leader of the Opposition got up and he just spent whatever time he did angrily denouncing us for having paid no thought to this very important process, Mr Speaker. He
2890 really forces me to remind him that – notwithstanding that I removed it from the Bill, from my speech, when I stood up to speak on the merits of the Bill – he said on public television that the Government was condemning our women by sending them overseas for terminations. That can only mean, Mr Speaker, that we have to have these terminations in Gibraltar. Otherwise what is the logic of saying that? First contradiction – publicly stated on GBC television and we have the
2895 transcript to prove it. He put on his same angry face and he condemned us and he said, 'How can the Chief Minister allow our women to go all the way to the UK and other parts of the world to get terminations?' Ergo, we have got to do them here, there can be no other logical corollary to what he said.

He also said, as Mr Azopardi has said outside of this House, that there ought to be a
2900 referendum and lo and behold, Mr Speaker, we come to this House explaining the fine legal arguments as to why we have come to the conclusion, notwithstanding our misgivings, that we have to go to a referendum and they are going to vote against the very thing they have said in public remarks that we should do.

Mr Speaker, they accused us of political dishonesty but the hon. Gentleman needs to have at
2905 least consistency and there has to be an inherent consistency and logic in what they are saying. Have a referendum. Well, you know what, we do not want to have a referendum. But actually our legal advice is that this could be an issue so you have to go to referendum. Well, we are going to vote against it – alright. We are going to have a Bill that allows terminations in limited circumstances. Well, we are going to vote against the Bill as well. Has he not read the Bill?

2910 The Bill says, in clause 3:

Subject to the provisions of this section,

Ergo, in these limited circumstances terminations are allowed. So, Mr Speaker, to call this Bill – this carefully thought out, this thoughtfully crafted Bill – 'abortions on demand' is, quite frankly, the most extraordinary statement I have heard in this House for a *long* time. This Bill

cannot possibly be abortion on demand when it sets out the particular circumstances in (a), (b), (c) and (d) of when a termination is permissible. In other words, if it is not caught within these four exceptions then they are not allowed. Therefore it cannot be on demand. It cannot be on demand, and they know it, Mr Speaker.

This ties me to the point that the Hon. Mr Feetham also said, he said that this Bill in effect (*Interjection*) is abortion on demand. It cannot be abortion on demand, quite apart from the fact that the limited circumstances which permit for abortions – which, by the way, there are associations that think that this Bill is too restrictive and have told us it ought to be widened, and we have not, bearing the decision of the Supreme Court in mind.

Another reason why it is not abortion on demand is because unlike the UK law – of which this is clearly not a cut and paste, you just need to put one Bill next to the other – that does not require for there to be two NHS doctors certifying the abortion, we require women to undergo certification by two medical practitioners. We have said in the Bill, notwithstanding that there was no requirement to, because the General Medical Council makes it absolutely clear that doctors cannot be forced to practice medicine in a way that is contrary to their beliefs, and yet we included that so that there could be no doubt.

Of course, Mr Speaker, the other reason why it could not be abortion on demand is because we have made it clear that only the GHA will be able to carry out terminations, and therefore we are expressly forbidding the creation of a private industry on abortions.

So, for all of the reasons that I have just set out, and I am sure I have missed some, this Bill cannot by any objective measure be characterised as abortion on demand. It simply cannot.

Mr Speaker, the Hon. Mr Feetham, then goes on to take the House through the question of the margin of appreciation, and with respect to the hon. Gentleman, I am not entirely sure whether he was confused on this point when he started the Bill or during the course of the speech, because he contradicted himself during the course of that speech. I have been absolutely clear on this point: we are saying that the law, in the light of the judgment of the Supreme Court, is unconstitutional as per our Constitution and also offends Article 8 of the European Convention on Human Rights. If Article 8 was not a qualified right then there would be nothing else to discuss. The Court has said that not permitting abortions in these defined circumstances is a breach of the Article 8 right and therefore, on that point, it would be contrary to the European Convention on Human Rights and contrary to our Constitution but Article 8 has an Article 8.2 and that Article 8.2 provides that the States can interfere with the fundamental rights of people in certain limited circumstances, one of which is the protection of morals. And the advice is that on that limited basis it may be that Gibraltar can have a situation where terminations are not conducted in Gibraltar, and that is a very narrow, limited circumstance in which we have had to come to the conclusion that in the absence of a referendum where the community can express a view on whether or not terminations are morally wrong or right we cannot be absolutely certain of the position. If Article 8.2 did not exist and Section 7.2 of the Constitution did not exist, then we would not be having this conversation because the conclusions of the Supreme Court judgement would be clear.

The reason – (*Interjection*) let me finish, Mr Speaker – why I said the hon. Gentleman was confused was because he said during the course of his contribution that the margin of appreciation is broad and is afforded to the States and he then actually read a statement from a judgment that sets out clearly that the margin of appreciation is not unlimited. Right, so ‘not unlimited’ means, to a six-year-old, limited, it cannot mean anything else. A plain reading of the case clearly suggests that the margin of appreciation is limited. It is limited, Mr Speaker, and the court and the courts in the very judgment you read out to us said this, and I quote:

The court cannot agree that the State’s discretion in the field of protection of morals is unfettered and unreviewable ... this power of appreciation is not unlimited.

Ergo, the margin of appreciation is fettered, reviewable and limited. All of the things that we said and contrary to everything that he said, Mr Speaker.

2965 The Hon. Mr Feetham gets confused on this point, apart from having quoted verbatim from the judgment that he quoted to us but neatly forgot this particular part of the judgment. Quite apart from that, where the European Court of Human Rights talks about the margin of appreciation being broad, what they mean by that is that a state has the right to establish the means by which they give effect to the convention, but that does not in any way remove the supervisory jurisdiction of the court in determining whether the means that the state have adopted are violations of the constitution of the convention or not. *(Interjection by*
2970 *Hon. D A Feetham)* Well, yes, it means exactly the same thing.

So ... Yes.

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

2975 I thank the Minister for giving way. I do not think he has understood what I have said but I am not going to just reopen that.

2980 But is the Government's position very simply this, and I would just appreciate some clarity in relation to this – I thought I had some clarity from the Hon. Mr Licudi, I am not so clear, having heard the hon. Gentleman now in reply – but does the Government's position amount to this: the Government *thinks* that the law may be unconstitutional but accepts that there is a doubt as to whether it is unconstitutional because of the measure of appreciation and that is the reason why it has decided to go to a referendum? Because if that is the position really what the Government is saying is we are not sure about the compulsion, we are not sure that this is constitutionally necessary. We think it is, but we cannot be certain and therefore we are putting it in the hands of people in a referendum.

2985 **Hon N F Costa:** Mr Speaker, I have made the position extremely clear and obviously he was not listening to my speech when I was giving it.

2990 And so, Mr Speaker, the hon. Gentleman also says that women who wish to terminate pregnancies are 45 minutes away from Spanish clinics.

Hon. D A Feetham: No, I did not say that.

Hon N F Costa: Yes, you did, and I quote, you said, 'Women who are pregnant can from this Parliament to the closest clinic in Spain walk 45 minutes away.' *(Interjection)*

2995 No, Mr Speaker, that is exactly what he said whether he likes it or not. *(Interjection)*

A Member: The debate is over, he is replying.

3000 **Hon N F Costa:** But, Mr Speaker, the point is this: for a young girl who does not have the means to go to that clinic 45 minutes away, the 45 minutes could be 45 million miles, it does not matter. Persons with means have the ability to go to Spain or to the UK, but we are not here to debate the situation of women with means, because a young woman whose father will understand her position will get on a plane and go to the UK and go to the best clinic in the UK or cross the border and go to the best clinic in Spain. We are here, Mr Speaker, to debate the
3005 reason for the Bill, which is to protect the most vulnerable. And the most vulnerable young women are those who do not have the means to go to the best clinic in Spain or the best clinic in the UK, or who cannot come to tell their parents that they are pregnant. Therefore, Mr Speaker, we live in a moment of, I have to say, hypocrisy. So it is alright if people of means travel to the UK and have a termination, 'but let's not have them here'. Well, Mr Speaker, I am afraid that we
3010 have to discharge our duty and it is our duty to make sure that the most vulnerable in our society have exactly the same options and exactly the same opportunities as those with means. And so if young women and women who can afford to get private treatment in the UK or in

Spain can do so, then we must be here to say that those who do not have means as well have that right. And for as long, Mr Speaker, as we are debating this Bill we have to make sure that the GHA provides a service that is safe and that we can control as much as possible the safety of that process.

The Hon. Mr Feetham took us through, as the Chief Minister said, Law 101 where he said that we cannot just take principles *in vacuo* and apply it here. Mr Speaker, we are not seeking to make somersaults and superficial distinctions. The facts are simple: a pregnant woman is a pregnant woman here, in Ireland, in Spain and in Timbuktu. And therefore the need of the pregnant woman, whether she is in Gibraltar, Northern Ireland, in Spain or in the UK are exactly the same. So we are not seeking to draw fine distinctions or dancing on pins, no we are not, Mr Speaker. The distinctions that he seeks to say could be applied to other circumstances do not apply here. A pregnant woman here is the same as a pregnant woman in Northern Ireland, is the same as a pregnant woman anywhere else, and the law that the Supreme Court attacked with such clarity as being incompatible with a convention is exactly, Mr Speaker, the same law that we have here, therefore pregnant woman, same law as in Northern Ireland, the Supreme Court of the UK is saying, 'I am sorry, this law in Northern Ireland is incompatible with the rights of young women and women to their private life.' We have the same law here, it cannot mean anything else other than our law currently breaches our Constitution and breaches the European Convention on Human Rights.

I dare say, Mr Speaker, and I suspect that he does have sympathy for our position to put it to a referendum. And unlike the Hon. the Chief Minister, who has not whipped this Government on how to vote, I daresay, Mr Speaker, that on that House there may have been a collective imposition of what had to be said in respect of whether or not to vote for a referendum for the very simple reason that they have been saying all along, let's have a referendum. And when we say actually our legal advice is that we have no choice but to test the proposition by way of a referendum they shift their position.

Something must have happened, Mr Speaker between the clear position of the hon. Gentleman opposite that said referendum, referendum, referendum to all of a sudden, 'no, no referendum'. So they have not explained what happened between the clear position on the referendum and today saying no referendum. Mr Speaker, it does not take a political observer to realise that they have been hit hard with something on why a referendum is no longer acceptable.

Moving on to Mr Llamas, he speaks about the incompatibilities. The Bill sets out clearly when and when not terminations are to be allowed. Let me tell him this, Mr Speaker, he said that the Bill could have been drafted differently. We are yet to wait for anyone to tell us how to draft it differently and we have challenged some of the groups that have come to speak to us and have told them if you prepare a law that is better than ours and that only covers a Supreme Court judgment we will vote for it tomorrow, and they have not come with any wording that suggests that they could do it better because it is impossible to do it in any different way other than the way that we have done it, for the reasons that we explained. A woman who is pregnant as a result of incest will not be able to prove a case in a criminal process within 12 weeks, it would be impossible to do that, and so this wording takes into account the *reality* that between being pregnant and proving the rape or the incest years later, the pregnancy will continue its course and we have to find a mechanism, a practical mechanism, that allows for women who have been the victim of rape, who have been the victim of incest, to be able to deal with that horrible decision in a way that is sensitive to them first and foremost.

The Hon. Mr Llamas also talks about how the Act does not have sufficient controls and safeguards. Mr Speaker, I have to tell him that we have been told the very opposite by those associations who have told us that the law is too restrictive. They have told us that to have two GHA practitioners is certainly one too many. They have told us that to have a formal process of certification is too much. They have told us that to have on the face of the Act the ability of a doctor to object contentiously is also too much. So you see, it is not that this Bill is anything

3065 other than what we think is right, Mr Speaker. And this Bill will have pleased exactly no one because both camps when they have come to speak to us have told us it is too permissive and the other group has told us, 'No, you know what, this is too restrictive.'

The Hon. Mr Hammond cast his contribution basically saying that in effect the duty of the state is not to interfere with the rights enshrined in the Constitution. So he in effect says that the
3070 obligation on the state is a negative one, the job of a state is not to interfere with fundamental rights and liberties. But actually, Mr Speaker, without wishing to lecture him on the law, whereas he is certainly right as a first step, the European Court of Human Rights has also been equally clear that when they talk about non-interference that also means that the state has a positive obligation to ensure that its laws do not breach the Convention on Human Rights. So it is not
3075 enough that the state steps back and does not interfere with the right to privacy, it is not enough. The state also has a positive duty to ensure that within its domestic framework no one – not just the state, not private industry, no one – interferes with the Convention rights. So with respect to him, there was one part of his analysis that was missing.

And the simple reason, Article 1 of the Convention on Human Rights says each of, 'The High
3080 Contracting Parties shall guarantee the protection of rights in everyone in its territory'. I am paraphrasing, this is from memory, having read the Convention. But in effect, as I have told him, apart from the non- interference there is the positive obligation in Article 1 of the Convention, the first duty of the state is to ensure that no one interferes with any of the rights in the Convention.

Of course, the Hon. Mr Hammond talks that the right is qualified. Indeed, Mr Speaker, the right is qualified, which is why we are putting the matter to a referendum. And I hope he does not take this badly, but it is almost as if he had discovered America, 'Oh, but the right is qualified.' Yes, indeed, it is qualified which is why we are telling him that if the qualification did not exist then the law that we have today is unconstitutional. It is contrary to the Convention
3090 and it is the fact that there is a qualification to that right that gives rise to the advice that the state of Gibraltar, the national authorities may not have to legislate to permit abortions if there is a reason in respect of protection of morals. And that is where the margin of appreciation comes in.

He says, Mr Speaker, that we must protect women. Of course we must protect women, so he
3095 should vote for the Bill! I have got a quote, 'We must protect women.' Yes, protect women by voting for the Bill, it is the safest way to do so.

And then, in a few moments, they would certainly have had the most eminent bioethicists pulling out their hair with his McNuggets of wisdom on whether a foetus is a person. Well look, Mr Speaker, we are not going to enter into bioethical debate but he brought it into this
3100 Chamber, and we have to ask the question, is a foetus a person at one week, at three weeks, at 12 weeks? (*Interjection*) Yes. Are not some adult animals more developed than a foetus? And if we do accept that is the case we seem to have no compunction in killing dolphins, we seem to have no compunction in killing pigs, both extremely intelligent animals. So if he is going to bring in bioethical debates of when a foetus becomes a person we could not possibly do it justice
3105 because there would be seven chambers filled with all of the bioethical texts that determine whether or not a foetus is a person. And I can tell him because I have read some of them, that there is no conclusive determination of when a foetus is a person, if at all. So I ask him, Mr Speaker, not to enter into the slippery slope of having a bioethical argument when we are debating laws and not the morality of killing, or terminating rather, a foetus at three or up to 12
3110 weeks of gestation.

He finishes, Mr Speaker, to say that the Bill is open to interpretation. Yes, every single Act in Gibraltar is open to interpretation but, like with every Act, if the Government feels on any particular section that the section is not working as it should, then it comes back to Parliament and it corrects it. And if it is not the Government that does it, then the court will, if they are
3115 asked to interpret that section, do it.

Mr Speaker, before I move on to the Hon. Marlene Hassan Nahon, the Hon. Mr Reyes said that women have not asked for this Bill. I ask him to turn left, Mr Speaker, there has been a huge clamour, which obviously he missed, that there should be a Bill that regulates the ability for Gibraltar authorities to have safe abortions, so I have to disagree with him fundamentally that women have not asked for this. Women have asked for this, Mr Speaker.

He then says that this Bill is neither desirable nor necessary. Terminations of foetuses are not desirable, I do not think I have heard anybody here say ... Indeed, Mr Speaker, not a single person that has come to the Inter-Ministerial Committee have told us that terminations are desirable, but they are a fact of life, Mr Speaker. And in the circumstances that the Bill allows if that is the choice of the woman we have to provide the best care and the best way of doing it. So it may not be desirable, as he has said. No one is saying that it is desirable, but it certainly is necessary.

Mr Speaker, I really do not know where to start here, because I think the hon. Gentleman got his biological facts from Missouri State legislature.com when he said that there is a heartbeat at three weeks. Look, let's deal in fact, this is a difficult enough argument as it is without confusing the issues with facts that are not facts. There is no heartbeat at three weeks, Mr Speaker, there is not. There is no heart and therefore no heartbeat at three weeks. So he should not suggest so.

And the Hon. Mr Reyes, he knows I have great respect for him, he says that we should not allow for sex selection. Mr Speaker, I have read this Bill, I do not know how many times, and there is *nothing* in this Bill that indicates that sex selection is a ground for which a GHA doctor will certify that a termination ought to be allowed. So to talk of sex selection in circumstances where sex selection is not an exception allowed within the Bill, Mr Speaker, takes the debate a bit too far and it actually injects an emotion unnecessary to what should be a high quality debate.

Also, Mr Speaker, the hon. Gentleman said that this Bill is anti-woman, anti-child and anti-democracy. Mr Speaker, *(Interjection and laughter)* it cannot possibly be anti-women when what we are saying is that we have to have regulation for those women who, in the circumstances defined in the Bill, require a termination. So let's imagine the circumstance where you have a young woman without means who finds herself in one of the situations carved out in this Bill but who cannot go to Spain because she does not have money or only has sufficient money to go to wherever she first finds. And so she has a botched operation that does not just kill the foetus but also does serious harm to her. Therefore, Mr Speaker, in allowing for the regulation of safe abortions this Bill is pro-women.

He says that is anti-democracy: Mr Speaker, we have spent, I do not know, at least five hours debating this Bill. We have spent 18 months discussing the Command Paper and the Bill with all members of our community and we have considered all of the representations made to us. This Bill is the embodiment of democracy in action, Mr Speaker. I feel that I have to say that clearly to him.

Mr Speaker, Mr Clinton then goes on to say that the expenditure memorandum in the Bill is not positive. Mr Speaker, this is not a Bill for which to party. This is a Bill to bring to this Parliament for serious reflection and debate. No one wants to find themselves in a situation of having to determine whether or not to have a termination. Therefore, if the memorandum sounds negative in tone, it is because it is not celebratory. We have found ourselves in a situation where there is a judgment of the Supreme Court that we cannot ignore and that no one anticipated. Dealing with that fact, we say in the first line of the explanatory memorandum, 'arising from the decision of the Supreme Court'. We could not possibly have put it, Mr Speaker, in any other way.

He then goes on to say that he has heard certain phrases for the first time, he said, 'Mr Speaker, not being a lawyer, I have heard certain phrases for the first time,' and he says, and I quote, that he has heard about 'moral values'. Mr Speaker, it is extraordinary – surely, he has heard about moral values before he came to Parliament here. *(Interjection)* Yes.

And then he says that we have brought this Bill out of fear. Mr Speaker, we are not emotionally cowering about the fact that we could be in breach of the Constitution. It is just that on serious, mature reflection of a judgment of the Supreme Court that says that our law is unconstitutional, we have to take action. So it is not that we are acting out of fear; we are acting out of a sense, Mr Speaker, of duty.

But I found it interesting, Mr Speaker, that notwithstanding that he asked us questions, he has not told us his view on abortion. We have all declared our views, except the Leader of the Opposition, so we have got two Members of Parliament who have asked us questions, who have come to debate in this House, but who have not had the courage – or the political honesty, to borrow their vernacular of today – to state their opinion of where they are on the issues of terminations, Mr Speaker.

I then end, I think, on a positive note with the contribution of Marlene Hassan Nahon and she said that she will vote for the Bill because it does provide greater protection of women, although of course as far as she is concerned this Bill may not go far enough. I applaud the fact that she at least has the political decency to accept that this may not go sufficiently far enough, but it is certainly, Mr Speaker, a step in the right direction. But as I have told the House, Mr Speaker, at the end of the day, legal argument or no legal argument, irrespective of the Constitution, irrespective of what the Convention says, for all of us this would be a question of judgement. It will be a deeply held private decision which we have no choice but to give legal effect to; and that is what we have been debating, Mr Speaker, I think for the most part with sensitivity, over the past five hours.

Mr Speaker, I cannot finish without saying that the hon. Lady said that mental health services ought to be boosted. I agree, we could always do more, but the hon. Lady has to accept that we have done *a lot* of work in respect of mental health issues; not least, Mr Speaker, the introduction for the first time in Gibraltar of Children and Adolescent Mental Health Service that has a psychiatrist, two psychologists, and provides mental health support to young persons and children.

Mr Speaker, the community should be left in no doubt whatsoever that whereas we have taken the decision that this must be put to a referendum, I personally will be certainly campaigning passionately for the community to vote in favour of commencing, Mr Speaker, the Act when it comes into force at some point when we get to the committee stage.

And so, Mr Speaker, for all of the reasons that I said in my original speech and for all of the reasons that I have now rehearsed and replied to Hon. Members on, I commend the Bill to the House.

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

Mr Speaker: I now put the question, which is that a Bill for an Act to amend and clarify the law relating to termination of pregnancy by registered medical practitioners and for connected purposes, be read a second time. I imagine that a division is required, or not? (**Hon. Chief Minister:** Yes.) Yes, we shall have a division.

A division was called for and voting resulted as follows:

FOR

Hon. P J Balban
Hon. Sir J J Bossano
Hon. Dr J E Cortes
Hon. N F Costa
Hon. Dr J J Garcia
Hon. Ms M D Hassan Nahon
Hon. G H Licudi
Hon. S E Linares
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. R M Clinton
Hon. D A Feetham
Hon. T N Hammond
Hon. A J Isola
Hon. L F Llamas
Hon. E J Phillips
Hon. E J Reyes

Mr Speaker: There are 10 votes in favour, 7 against, and therefore the motion is carried and the Second Reading of the Bill is carried.

3210

Clerk: The Crimes (Amendment) Act 2019.

COMMITTEE STAGE AND THIRD READING

**Crimes (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

3215

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.)

In Committee of the whole House

3220

**Crimes (Amendment) Bill 2019 –
Clauses considered and approved**

3225

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: the Private Sector Pensions Bill 2019; the Climate Change Bill 2019; the Pet Animals (Sales) Bill 2019; the Crimes (Amendment) Bill 2019; the Public Services Ombudsman (Amendment) (University of Gibraltar) Bill 2019; the Stamp Duties Bill 2019; and the Financial Services Bill 2019.

Clerk: A Bill for an Act to amend and clarify the law relating to termination of pregnancy by registered medical practitioners and for connected purposes. Clause 1.

3230

Mr Chairman: Stand part of the Bill.

Clerk: Clause 2.

3235

Mr Chairman: The Hon. the Minister, the Hon. Neil Costa has given notice of amendment to clause 2. May I call upon him to formally move the amendment?

Minister for Health, Care and Justice (Hon. N F Costa): Yes, Mr Chairman, I formally move the amendment to clause 2 by substituting the wording in the Bill to the language that has been circulated to Hon. Members.

3240 **Mr Speaker,** there is also one point at 2(2): in that sub-clause there are references to 'percentage' twice – percentage of votes and percentage of votes – and on the advice of Mr Speaker, I intend to change that to 'the number of votes' on both occasions.

Mr Chairman: Hon. Members, look at paragraph 2, instead of 'percentage of votes', 'number of votes' in both cases. The amendment to this clause is subject to debate if Hon. Members so wish.

Clerk: Clause 2 as amended.

The Chairman: Stands part of the Bill. Do the Opposition wish to vote in favour?

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Hon. E J Phillips: Mr Chairman, consistent with our position in relation to the Bill, we will be voting against these amendments.

Mr Chairman: The Opposition are voting against this amendment. I take it all other Members are voting in favour of the amendment? *(Interjections)*

3255

Is the hon. Lady voting in favour of the amendment? *(Interjection by Hon. Ms M D Hassan Nahon)* No? Against?

Hon. Chief Minister: The first amendment – she is against the first amendment. *(Interjections)*

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Mr Chairman: How will she vote? *(Interjections)*

Hon. Ms M D Hassan Nahon: I will be voting against.

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Mr Chairman: I still do not know what you are saying. Sorry, if Hon. Members ... *(Interjections)*

Against – right, okay, fine. I did not hear what she was saying. Right, okay, we have got it. The Government are voting in favour, and all Members of the Opposition, including the hon. Lady, against. So the amendment is carried by 10 votes to seven.

3270

Hon. Chief Minister: Normal service has resumed. *(Laughter)*

Clerk: Clause 3.

3275

Mr Chairman: And clause 3 ...

Hon. N F Costa: Ah yes, Mr Chairman – *(Interjections)*

Yes, Mr Chairman, in respect of –

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Mr Chairman: The hon. Minister also has some amendments to clause 3, does he wish to speak to them?

Hon. N F Costa: Well no, Mr Speaker, they are self-explanatory; I said that in the letter. Essentially the proposed section 163A.(1)(d) will replace 'child' with 'foetus'.

3285

Mr Chairman: Very well. I will put the amendments of the hon. Member to clause 3 to the vote. Those in favour? Those against?

Hon. E J Phillips: The position remains the same, Mr Speaker, we are opposed.

Mr Chairman: The same. And the hon. Lady?

Hon. Ms M D Hassan Nahon: I am for it.

Mr Chairman: Should I have clarified the position – ?

Hon. A J Isola: No, you were right on the amendment, Mr Speaker.

Mr Chairman: I was on the amendment, right. (*Interjection*) Yes, very well.

Now, so the hon. Minister's amendments are carried and we also have notice from the hon. Lady of some amendments of clause 3, and she has the floor.

Would she formally move them please?

Hon. Ms M D Hassan Nahon: Mr Chairman, I beg to move that in clause 3, in section 163A.(1)(a), delete: 'and that the continuance of the pregnancy would involve risk, greater than if the pregnancy were terminated, of injury to the physical or mental health of the pregnant woman' and in place insert: 'an abortion may be carried out in accordance with this section by a medical practitioner where having examined the pregnant woman she or he is of the reasonable opinion formed in good faith that the pregnancy concerned has not exceeded 12 weeks of pregnancy'.

In section 163A.(1)(d) insert 'severe or' before 'fatal'.

Number 3 of my amendments I shall be withdrawing, because the hon. Minister, Mr Costa has already moved his own one which is identical.

Number 4, in section 163A.(3), insert the words 'or place' following 'hospital'.

And in section 163C, amend by adding a third clause, 163C.(3), after 'rely on it' saying 163C.(3) 'providing a person who has a conscientious objection referred to in section 163C.(1) shall as soon as may be make such arrangements for the transfer of care of the pregnant woman concerned as may be necessary to enable the woman to avail of abortion'.

Number 6, insert a new clause – sorry –

Mr Chairman: Strictly speaking, it is not a new clause; it is a sub-clause.

Hon. Ms M D Hassan Nahon: A sub-clause.

Mr Chairman: Sub-clause 163F.

Hon. Ms M D Hassan Nahon: I beg your pardon, Mr Chairman. Insert a sub-clause 163F: 'it shall never be a crime for a pregnant woman to have an abortion in respect of her own pregnancy'.

Mr Chairman, if I may, with regard to the first amendment, risk to physical and mental health – as I have just stipulated my suggestion I will not repeat it – this Bill is a compromise for many women in our community. Twelve weeks is a low threshold, Mr Chairman, one that is well below the European average and one for which there seems to be little scientific basis. But I am also aware that this is a big leap for a society that prides itself in religious tolerance, for whom, obviously, spirituality remains an important value and a community that has lived under the cover of pretence and hypocrisy created by its leaders for far too long.

I am therefore ready to support this compromise with some significant reservations. If we are to display an ounce of political courage on this issue, Mr Chairman, let's do it properly. We have lived in a convenient loophole for generations. The loophole provided by the conveniently placed jurisdiction with lax abortion laws that we all know about. Now we are trying to

3340 normalise this human rights apartheid, of sorts, yet we seem hell-bent on creating yet another loophole and continue the farce.

The proposed new section 163A.(1)(a) will provide for abortion to be lawfully provided where two doctors certify that a pregnancy has not exceeded 12 weeks and the continuance would involve a greater risk to physical or mental health than if the pregnancy were terminated of
3345 injury to the physical or mental health of the pregnant woman. It mimics the letter of the law of other jurisdictions including the UK. But we all know that this is a loophole through which abortion happens on-demand within the established time parameters.

Mr Chairman, women with unwanted pregnancies all undergo a level of anxiety and stress that puts their mental health at risk and in general medical practitioners recognise that. So why
3350 put the burden on the health care professionals? If we are already introducing a clause catering for conscientious objection, why add another layer of decision-making that is pure farce? There is only one reason, Mr Chairman, and that is political cynicism.

Also, it is important for this Chamber to do its bit to destigmatise the social climate around the issue. When we add provisions, such as the aforementioned, we are telling women that we
3355 do not trust them with deciding over their own bodies. We are acting in a way that is paternalistic and patriarchal. We need to tell our community, openly and unambiguously, that we trust women to make this choice; to make a free mature and responsible choice on this most transformative decision of their lives.

The proposed new section 163A.(1)(a) will provide for abortion to be lawfully provided where
3360 two doctors certify that a pregnancy has not exceeded 12 weeks and the continuance would involve a greater risk to physical or mental health than if the pregnancy were terminated of injury to the physical or mental health of the pregnant woman. I propose changing proposed section 163A.(1) by deleting 'and the continuance would involve a greater risk to physical or mental health than if the pregnancy were terminated of injury to the physical or mental health
3365 of the pregnant woman'. In place of this deletion, we would insert 'an abortion may be carried out in accordance with this section by a medical practitioner having examined the pregnant woman, she or he is of the reasonable opinion, formed in good faith, that the pregnancy concerned has not exceeded 12 weeks of pregnancy.'

This will free the healthcare professionals from having to make the ultimate decision, taking
3370 on the responsibilities we should be taking today, and will send an unequivocal message that we support and trust our women going through this difficult juncture. Further, Mr Chairman, this time restriction also presents two points of lack of clarity. The first of those is, what does 12 weeks mean here? Is it with reference to the LMP – the last menstrual period – or from conception? The latter is better and more in line with international experience. This will have to
3375 be clarified, especially as it will be an offence to provide an abortion outside the terms of the law. I would appreciate it if my good friend the Minister for Health and Justice would clarify this in clinical guidance.

Secondly, how is gestation to be determined? Is an ultrasound needed or will doctors be allowed to do non-invasive testing and or rely on the woman's dates? Again, this is another
3380 point that I would urge the Minister for Health and Justice to ensure it is incorporated in clinical guidance, Mr Chairman.

The second amendment insert 'severe or' before 'fatal'. Mr Chairman, the Bill will allow for abortion after 12 weeks where (a) two doctors certify that (b) it is necessary to prevent great permanent injury to physical or mental health. Proposed section 163A.(1)(b), 'or that continuing
3385 with the pregnancy poses a greater risk to the woman's life than a pregnancy were terminated'. Section 163A.(1)(c) 'or there is a substantial risk of a fatal foetal abnormality'. Section 163A.(1)(d) and (c) 'the termination is done by a medical practitioner employed by the Gibraltar Health Authority'. This clause presents a lack of clarity again, Mr Chairman. The explanatory memorandum suggests abortion will never be allowed after 12 weeks. However, the text of
3390 these provisions clearly means there is no time limit on the availability of abortion in these very limited circumstances. That needs to be made very clear so that there is clarity for doctors.

Obviously, it is the text of the law that is binding, not an explanatory memorandum. But it is important that the two are consistent and that the explanatory memorandum is corrected so that there is no confusion.

3395 Mr Chairman, in relation to clinical guidance; once again clinical guidance will be critical to determine how much risk is going to be considered sufficient to quality, how a fatal foetal abnormality will be defined, etc. The proposed section 163A.(1)(d) allows for abortion where there is a, and I quote:

substantial risk that the child is suffering from a fatal foetal abnormality.

3400 In this first instance, this term is not defined in the law; highlighting again the importance of clinical guidance in clarifying how the law will operate in practice. Secondly, the combination of this provision and the very short time limit on early abortion is such that people who find themselves with the diagnosis of very serious but not fatal anomalies and conditions for the foetus will not be able to access abortion under this law. Instead, they will continue to travel to the United Kingdom as they do now to access abortion in these cases. This is especially because
3405 diagnostic tests, such as the Harmony test, cannot provide a diagnosis within the first 12 weeks. There are sadly situations in which pregnancies do have extremely serious diagnoses, but which may not be defined as fatal foetal abnormalities. This law does nothing for people who find themselves in this situation. I am therefore proposing an amendment in proposed section 163A.(1)(d) to insert 'severe or' before 'fatal'.

3410 Mr Chairman, if I may cite a recent example; a local couple I know recently found out in London that their baby had a severe foetal abnormality and were effectively forced to remain in the UK – approved by the GHA – awaiting their abortion, instead of being able to return to Gibraltar to have the abortion at home where they would have been able to absorb the trauma at home with their support network in place and the right emotional setup in order to navigate
3415 through this difficult time.

Further, as an aside, with regard to this case in point, Mr Chairman, added to this less than empathetic reality for this couple, as I am sure has applied in the past to the many other couples who have seen themselves in similar situations, the amount of costs relating to having to remain in the UK while the abortion was organised and the time needed to be spent there post-abortion, resulted in a financial cost in the thousands for this couple and well beyond the scope
3420 of the sponsored patients allowance, when we could be, instead, accommodating these difficult circumstances on home turf.

Mr Chairman, just because we may not have the resources in place locally for this today, this should not preclude the law from being open for when circumstances change in the GHA in the future. Closing our eyes to it, keeping it illegal and sending people to the UK for it is more of the 'not in my backyard' syndrome which this very Bill is supposed to break, Mr Chairman.
3425

The next amendment, in connection with location: in section 163A.(3), insert the words, 'or place' following 'hospital'. On location of abortions, section 163A.(3) suggests that terminations can only take place in a hospital that has been approved by the Minister for Health even when the abortion is taking place abroad, but under the auspices of this proposed new Bill. While this is appropriate for complex and later terminations, there is no need, for example, for early medical abortion, for example, the provision of pills, to be undertaken in a hospital. Indeed, in Scotland, England and Wales, a medical abortion can now be done at home; i.e. the woman takes the first pills with her doctor and the second set at home so that if she wishes she can self-
3430 manage her abortion in this way.
3435

This is better for women and the principle should be to maximise the choices women have about whether and how to have abortions. It would be welcome to allow abortion to take place in other locations under section 163.(1)(a), i.e. under 12 weeks, where clinically appropriate and where medical abortion is being carried out. This is in line with the WHO safe abortion guidelines and best practice in the UK. It is also consistent with more efficient abortion care provision.
3440

There is no need for hospital time and beds to be taken up with these early non-complex medical abortions – although of course this is not the case for surgical abortions.

3445 The next amendment relates to conscientious objection, Mr Chairman. In section 163C, amend by adding a third clause, section 163C.(3) after ‘rely on it’, ‘providing a person who has a conscientious objection referred to in section 163C.(1) shall as soon as may be make such arrangements for the transfer of care of the pregnant woman concerned as may be necessary to enable the woman to avail of abortion’. Mr Chairman, on the issue of conscientious objection, proposed section 163 allows for conscientious objection; but it is very wide. It says:

no person shall be under any duty, ... to participate in any treatment authorised ... to which he has a conscientious objection.

3450 Firstly, if I may just pick up on this actual clause, I would like to draw to the attention of the Chief Minister, following his comments earlier, that I provided a clause – which indeed I did – when the equal marriage came to be, where I protested against the clause 6 being equal marriage. I would just like to point out that to me and to *many* other reasonable thinking people, the issue of same-sex couples getting married is just that: two innocent people who are entitled to love each other and are also entitled not to be prejudiced by the law in place or by
3455 Government workers who decide to prejudice them because they decide that they do not want to marry them. I believe that there is a very different situation here, which is the need to respect the beliefs and values of the doctor, in this case, or the medical practitioner who to him or her may feel that he or she is ending a life. And of course that has to be respected, because that is not offensive. That has to be understood and acknowledged and those people in that field need
3460 to be protected if we acknowledge where they are at; and I believe that this is a very different case to boycotting two innocent adults getting married with no impact on anything or anyone else.

Moving on though, to the actual clause for amendment: this provision does not require a doctor who has an objection to ensure the transfer of the pregnant woman’s care to another
3465 non-objecting doctor as soon as may be. This is important, especially under proposed section 163A.(1)(a); the proposed time limit is extremely short – 12 weeks – and it is important to strike an appropriate balance between respecting the deeply held beliefs of medical practitioners and ensuring the provision of health care to pregnant women. I therefore suggest amending proposed section 163C by adding a third clause section, 163C.(3), providing ‘a person who has a
3470 conscientious objection referred to in section 163C.(1) shall as soon as may be make such arrangements for the transfer of care of the pregnant woman concerned as may be necessary to enable the woman to avail of abortion.’

Mr Chairman, once again, this clause also presents a lack of clarity. Who is covered by this? We can assume doctors, nurses and midwives, but what about receptionists in the zone,
3475 janitors? What does participation actually mean here? This should be clarified and the right not to participate limited to persons directly involved i.e. doctors, nurses and midwives. If this is not done, what steps will be taken to ensure there is sufficient reception and other staff to ensure appointments are available at all times?

In either case, is the Government satisfied that there are sufficient doctors employed by the
3480 GHA that will participate mindful of the fact that it is a States obligation, under international human rights law, to ensure sufficient resourcing so that conscientious objection does not undermine the right to access abortion care in line with the law. What arrangements will be taken for rostering etc. to ensure that abortion care will be available at all appropriate times, especially bearing in mind the very short time limit for abortion pre-12 weeks?

3485 The last amendment, Mr Speaker, relating to criminal offences: insert a new sub-clause 163F, I quote, ‘It shall never be a crime for a pregnant woman to have an abortion in respect of her own pregnancy.’ As a general matter, Mr Chairman, abortion remains an offence under the proposed new law. The Bill simply introduces exceptions to that offence. This, combined with

the limited availability under the Bill, especially as grounds are very restricted after 12 weeks, means that it is likely that some women will still experience unmet abortion needs, although it is hoped that this will be a very small number. However, for these women it is vital that abortion is decriminalised. It should never be an offence for a woman to have an abortion that she chooses herself.

Continued criminalisation stigmatises abortion and also makes it very difficult for women to seek help, for example, if they have ordered and used abortion pills themselves and taken them illegally and then have abnormal bleeding or if they have travelled for abortion and have post-abortion medical complications. In accordance with best international practice, we should at the very least decriminalise abortion for women. For that purpose, I do propose an amendment by means of the inclusion of a new section providing, 'It shall never be a crime for a pregnant woman to have an abortion in respect of her own pregnancy.'

The purpose of this form of decriminalisation is basic and very clear: that no woman should go to jail for ending her own pregnancy. It is a mantra that is clear even among the most anti-choice of anti-choice Americans. The new law in Alabama that criminalises all abortion does not extend to women. In Poland, where abortion is severely restricted to the detriment of women's human rights, it does not criminalise women. Ireland does not criminalise women, France does not criminalise women and Canada does not criminalise women. In fact, 22 countries across Europe do not criminalise women because they recognise that no matter their laws, no woman deserves to serve a prison sentence for ending her own pregnancy. I am not asking, with this amendment, for the time limit to change nor for doctors to be exempt from the existing law, nor for the grounds under which abortion can be undertaken to be changed. All I am saying, with this amendment, is that no woman should be sent to jail. That is a very simple message on which I hope my colleagues could agree.

Meanwhile, Mr Chairman, I must add that if this amendment is passed, abortion would remain a criminal offence for everyone except the woman herself. Abusive partners causing abortions would still and should still be prosecuted in exactly the same way as they can be now. Anybody who has forced a woman to undergo an abortion or who administered pills without a woman knowing, would be committing the crime of abortion which carries a life sentence. Non-consensual abortion is a heinous crime against the woman involved, and one for which the maximum sentence should continue to be life.

Thank you.

Hon. Chief Minister: Mr Speaker, we are grateful for the hon. Lady's proposed amendments. I know that they are issues that she has raised sensitively with us before she has raised them in Committee, and a lot of the issues that she has raised I know the hon. Minister has addressed in the course of her speech.

We sincerely believe that we have reached the right balance after the work that we have done over the past 18 months to produce the Bill as is, with the amendment that we propose, which is the Bill that should go to the people for commencement as an Act. Therefore we are not going to be accepting any of those amendments, although I am very grateful that she has rationalised exactly why she was moving them and that is on the record, and those things can be looked at in future.

But, at the moment, I think this is the Bill that we are going to be supporting passing as an Act today and then commencing with the mechanism that we have proposed as an amendment to the commencement clause.

Hon. E J Phillips: Mr Chairman, for different reasons, we will be agreeing with the Government in respect of their approach to these amendments suggested by the hon. Lady.

Hon. D A Feetham: Can I just ask a question, Mr Chairman? (**Mr Chairman:** Yes.) Can I ask a question of the Government in relation to the points that the hon. Lady has made?

At the moment – and it is something that I forgot to mention in the course of my intervention – but at the moment what we have is a law that allows abortion for the preservation ... it says, ‘preserving the life of the mother’. Now, when we look at cases like *R v. Bourne* and other cases, that has been interpreted as meaning a serious long-term or permanent effect on the woman’s physical or mental health. So it is long-term or permanent effect on the physical or mental health of the mother. That is the law at the moment and there is no time limit in relation to abortion where that is the position. Actually that is why it is difficult to conceive of many cases in rape, foetal fatal abnormality and all the rest of it that would not fall within that because of the effect that a rape would have on a woman’s at least long-term mental health.

Now, if we look at this Bill it says 163A (b) –

Hon. Chief Minister: This is principles and merits, Mr Speaker, this is not Committee stage ... *[Inaudible]* and this is not Question Time either –

Hon. D A Feetham: It arises out of what she has said and out of Committee stage looking at the clauses. This says:

that the termination is necessary to prevent grave permanent injury to the physical or mental health of the pregnant woman;

And then it says:

that the continuance of the pregnancy would involve risk to the life of the pregnant woman,

Is the understanding of the Government that those two clauses also includes, because it says ‘permanent’, long-term effects on the mental welfare of the woman?

Hon. Chief Minister: Mr Speaker, there is a wealth of jurisprudence on the interpretation of those clauses, and we do not think it is appropriate, without notice, to be asked to provide a rationalised answer to that.

So, the hon. Gentleman will forgive us for saying that we are happy to research that with him but we think that the legislation that is proposed today is the right balance that should be passed today, the commencement of which should go to the people.

Mr Chairman: I am going to put the amendments moved by the hon. Lady to the vote. Those in favour? (**Hon. Ms M D Hassan Nahon:** Aye.) Those against? (**Several Members:** No.) The amendment is defeated.

Clerk: Clause 3 as amended.

Mr Chairman: Clause 3 as amended by the Hon. Minister stands part of the Bill.

Clerk: The long title.

Mr Chairman: Stand part of the Bill.

**Crimes (Amendment) Bill 2019 –
Third Reading approved: Bill passed**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Crimes (Amendment) Bill 2019 has been considered in Committee and agreed to with amendments and I now move that it be read a third time and passed.

3585 **Mr Speaker:** I now put the question which is that the Crimes (Amendment) Bill be read a third time and passed. We are giving the Third Reading, we have come back from Committee to Parliament and we are voting on the Third Reading of this Bill.

A Member: As amended.

3590 **Mr Speaker:** As amended. *(Interjections)* Those in favour? **(Hon. Ms M D Hassan Nahon:** Aye.) Those against? **(Several Members:** No.) The Crimes (Amendment) Bill has been given a Third Reading and it has been passed, as amended.

Clerk: We now return to Committee Stage.

3595

Clerk: A Bill for an Act to amend the Pet Animal Sales Act 2005.

ADJOURNMENT

3600 **Chief Minister (Hon. F R Picardo):** Mr Speaker, we passed the Bill, it is now an Act and I am very proud of the way that this Cabinet and Government that I lead conducted the proceedings today. I am very grateful to the hon. Lady for the way that she addressed the House, the very moving speeches, in some instances from all sides of the House, except for some notable exceptions, which I have already referred to.

3605 So, at this time of the night, after almost six hours of debate and the whole day of debate on all matters, I propose that as Leader of the House and Chief Minister, both of which are not honorary positions but actual positions, that I should whip everyone to return at 9.30 in the morning on Monday, and wish the hon. Lady a *Shabbat Shalom* and apologise to her for having stayed so late on a Friday night. *(Banging on desks)*

3610

A Member: Hear, hear.

Mr Speaker: I take it that Monday is Monday the 15th, not Monday the 22nd?

3615 **Hon. Chief Minister:** Monday the 15th, sorry.

Mr Speaker: Monday the 15th, right. The House will now adjourn until next Monday at 9.30 in the morning.

The House adjourned at 9.45 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 9.05 a.m. – 11.45 a.m.

Gibraltar, Monday, 15th July 2019

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The Gibraltar Parliament

The Parliament met at 9.35 a.m.

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

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

Order of the Day

BILLS

COMMITTEE STAGE

In Committee of the whole House

Pet Animals (Sales) Bill 2005 – Clauses considered and approved

Clerk: Meeting of Parliament, Monday, 15th July 2019.

Order of Proceedings: Committee Stage. We are currently at the Committee Stage of a Bill for
5 an Act to amend the Pet Animals (Sales) Act 2005.
Clauses 1 to 3.

Mr Chairman: Stand part of the Bill.

10 **Clerk:** The long title.

Mr Chairman: Stands part of the Bill.

Public Services Ombudsman (Amendment) (University of Gibraltar) Bill 2019 – Clauses considered and approved

Clerk: A Bill for an Act to amend the Public Services Ombudsman Act 1998 to provide for the
15 investigation of complaints by students about administrative acts or omissions of the University
of Gibraltar, and for connected purposes.
Clauses 1 to 3.

Mr Chairman: Stand part of the Bill.

20 **Clerk:** The long title.

Mr Chairman: Stands part of the Bill.

25

**Stamp Duties (Amendment) Bill 2019 –
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Stamp Duties Act 2005.
Clauses 1 to 3.

Mr Chairman: Stand part of the Bill.

30

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Climate Change Bill 2019 –
Clauses considered and approved**

35

Clerk: A Bill for an act to set a target for the year 2050, and interim target for the year 2030, and to provide for progress targets for the reduction of greenhouse gas emissions; to establish a Committee on Climate Change; to confer power on Ministers to impose climate change duties on public bodies; to make further provision about mitigation of and adaptation to climate change; to make provision about energy efficiency; to make provision about the reduction and recycling of waste; to make other provision about climate change; and for connected purposes.

40

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Mr Chairman, I would like to just mention, as I said on Friday, there is a letter dated 4th July and I will take it that those amendments are incorporated as we go through them.

I will have one comment to make at the end of the long title, which will also need to have a consequential amendment by changing 2050 to 2045.

Clerk: Part 1. Clauses 1 to 5.

45

Mr Chairman: Stand part of the Bill.

Clerk: Part 2. Clause 6.

50

Mr Chairman: Stands part of the Bill.

Clerk: Part 3. Clause 7.

Mr Chairman: Stands part of the Bill.

55

Clerk: Clause 8 as amended.

Mr Chairman: Stands part of the Bill.

60

Clerk: Clause 9.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 10 as amended.

65

Mr Chairman: Stands part of the Bill.

Clerk: Clause 11 as amended.

70

Mr Chairman: Stands part of the Bill.

Clerk: Clause 12 as amended.

Mr Chairman: Stands part of the Bill.

75

Clerk: Part 4. Clauses 14 to 23.

Mr Chairman: Stand part of the Bill.

80

Clerk: Part 5. Clause 24.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 25 as amended.

85

Mr Chairman: Stands part of the Bill.

Clerk: Clauses 26 to 29.

90

Mr Chairman: Stand part of the Bill.

Clerk: Part 6. Clauses 30 to 35.

Mr Chairman: Stand part of the Bill.

95

Clerk: Part 7. Clause 36 as amended.

Mr Chairman: Stands part of the Bill.

100

Clerk: Clauses 37 to 44.

Mr Chairman: Stand part of the Bill.

Clerk: Part 8. Clauses 45 to 63.

105

Mr Chairman: Stand part of the Bill.

Clerk: The Schedule.

110

Mr Chairman: Stands part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

Hon. Dr J E Cortes: As amended.

Clerk: The long title as amended.

Mr Chairman: The long title as amended stands part of the Bill.

**Financial Services Bill 2019 –
Clauses considered and approved as amended**

Clerk: A Bill for an act to provide for the regulation of financial services and markets and fiduciary services; to make provision in respect of the Gibraltar Financial Services Commission; to establish a Financial Services Ombudsman; to make provision in respect of a deposit guarantee scheme, an investor compensation scheme and recovery and resolution arrangements and their financing; to provide for the regulation of the listing of securities, prospectuses and takeovers; to make provision in respect of market abuse; to provide for the control of insurance business transfers; to make provision in respect of occupational and personal pension schemes; to provide for the regulation of auditors and insolvency practitioners, and for connected purposes.

Minister for Commerce (Hon. A J Isola): Mr Chairman, there is a letter of 10th July and I would be grateful if those amendments proposed could be read in accordance.

Mr Chairman: This was given by the Hon. Minister on 10th July and it is a long series of amendments which we will be introducing now into the Bill.

Clerk: Part 1. Clauses 1 to 3.

Mr Chairman: Stand part of the Bill.

Clerk: Part 2. Clauses 4 to 19.

Mr Chairman: Stand part of the Bill.

Clerk: Part 3. Clauses 20 to 23.

Mr Chairman: Stand part of the Bill.

Clerk: Clause 24 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clauses 25 to 43.

Mr Chairman: Stand part of the Bill.

Clerk: Part 4. Clause 44.

Mr Chairman: Stands part of the Bill.

160 **Clerk:** Part 5. Clauses 45 to 49.

Mr Chairman: Stand part of the Bill.

Clerk: Clause 50 as amended

165 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 51 as amended.

170 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 52.

Mr Chairman: Stands part of the Bill.

175 **Clerk:** Part 6. Clauses 53 to 61.

Mr Chairman: Stand part of the Bill.

180 **Clerk:** Part 7. Clauses 62 to 83.

Mr Chairman: Stand part of the Bill.

Clerk: Part 8. Clauses 84 to 85.

185 **Mr Chairman:** Stand part of the Bill.

Clerk: Clause 86 as amended.

190 **Mr Chairman:** Stands part of the Bill.

Clerk: Clauses 87 to 88.

Mr Chairman: Stand part of the Bill.

195 **Clerk:** Clause 89 as amended.

Mr Chairman: Stands part of the Bill.

200 **Clerk:** Clauses 90 to 102.

Mr Chairman: Stand part of the Bill.

Clerk: Clause 103 as amended.

205 **Mr Chairman:** Stands part of the Bill.

Clerk: Clauses 104 and 105.

210 **Mr Chairman:** Stand part of the Bill.

Clerk: Part 9. Clauses 106 to 123.

Mr Chairman: Stand part of the Bill.

Clerk: Clause 124 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clauses 125 to 130.

Mr Chairman: Stand part of the Bill.

Clerk: Part 10. Clauses 131 to 134.

Mr Chairman: Stand part of the Bill.

Clerk: Clause 135 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clauses 136 to 146.

Mr Chairman: Stand part of the Bill.

Clerk: Part 11. Clauses 147 to 157.

Mr Chairman: Stand part of the Bill.

Clerk: Clause 158 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 159.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 160 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clauses 161 to 163.

Mr Chairman: Stand part of the Bill.

Clerk: Part 12. Clauses 164 to 175.

Mr Chairman: Stand part of the Bill.

Clerk: Part 13. Clauses 176 to 178.

Mr Chairman: Stands part of the Bill.

Clerk: Part 14. Clause 179.

265

Mr Chairman: Stands part of the Bill.

Clerk: Clause 180 as amended.

270

Mr Chairman: Stands part of the Bill.

Clerk: Clause 181 as amended.

Mr Chairman: Stands part of the Bill.

275

Clerk: Clause 182 to 187.

Mr Chairman: Stand part of the Bill.

280

Clerk: Clause 188 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clauses 189 to 194.

285

Mr Chairman: Stand part of the Bill.

Clerk: Part 15. Clauses 195 to 235.

290

Mr Chairman: Stand part of the Bill.

Clerk: Part 16. Clauses 236 to 280.

Mr Chairman: Stand part of the Bill.

295

Clerk: Part 17. Clauses 281 to 287.

Mr Chairman: Stand part of the Bill.

300

Clerk: Part 18. Clauses 288 to 340.

Mr Chairman: Stand part of the Bill.

Clerk: Clause 341 as amended.

305

Mr Chairman: Stands part of the Bill.

Clerk: Part 19. Clauses 342 to 384.

310

Mr Chairman: Stand part of the Bill.

Clerk: Part 20. Clauses 385 to 404.

Mr Chairman: Stand part of the Bill.

315 **Clerk:** Part 21. Clauses 405 to 419.

Mr Chairman: Stand part of the Bill.

Clerk: Part 22. Clauses 420 to 432.

320 **Mr Chairman:** Stand part of the Bill.

Clerk: Part 23. Clauses 433 to 472.

325 **Mr Chairman:** Stand part of the Bill.

Clerk: Part 24. Clauses 473 to 536.

Mr Chairman: Stand part of the Bill.

330 **Clerk:** Part 25. Clauses 537 to 554.

Mr Chairman: Stand part of the Bill.

335 **Clerk:** Part 26. Clauses 555 to 591.

Mr Chairman: Stand part of the Bill.

Clerk: Part 27. Clauses 592 to 611.

340 **Mr Chairman:** Stand part of the Bill.

Clerk: Part 28. Clause 612.

345 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 613 as amended.

Mr Chairman: Stands part of the Bill.

350 **Clerk:** Clause 614 as amended.

Mr Chairman: Stands part of the Bill.

355 **Clerk:** Clause 615.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 616 as amended.

360 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 617 as amended.

365 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 618 as amended.

Mr Chairman: Stands part of the Bill.

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Clerk: Clause 619.

Mr Chairman: Stands part of the Bill.

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Clerk: Part 29. Clauses 620 to 624.

Mr Chairman: Stand part of the Bill.

Clerk: Clause 625 as amended.

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Mr Chairman: Stands part of the Bill.

Clerk: Clauses 626 to 628.

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Mr Chairman: Stand part of the Bill.

Clerk: Part 30. Clauses 629 to 630.

Mr Chairman: Stand part of the Bill.

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Clerk: Clause 631 as amended.

Mr Chairman: Stands part of the Bill.

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Clerk: Clause 632 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clause 633 to 635.

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Mr Chairman: Stand part of the Bill.

Clerk: Part 31. Clauses 636 to 639.

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Mr Chairman: Stand part of the Bill.

Clerk: Schedules 1 to 3.

Mr Chairman: Stand part of the Bill.

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Clerk: Schedule 4 as amended.

Mr Chairman: Stands part of the Bill.

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Clerk: Schedule 5.

Mr Chairman: Stands part of the Bill.

Clerk: Schedule 6 as amended.

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Mr Chairman: Stands part of the Bill.

Clerk: Schedules 7 to 14.

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Mr Chairman: Stand part of the Bill.

Clerk: Schedule 15 as amended.

Mr Chairman: Stands part of the Bill.

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Clerk: Schedule 16.

Mr Chairman: Stands part of the Bill.

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Clerk: Delete Schedule 17.

Mr Chairman: Delete Schedule 17 agreed.

Clerk: Schedules 18 to 25.

440

Mr Chairman: Stand part of the Bill.

Clerk: Schedule 26 as amended.

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Mr Chairman: Stands part of the Bill.

Clerk: Schedules 27 to 29.

Mr Chairman: Stand part of the Bill.

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Clerk: The long title.

Mr Chairman: Stands part of the Bill. Now I know that, instead of having to count sheep to go to sleep at night, I just have to say 'stands part of the Bill'! *(Laughter)*

**Private Sector Pensions Bill 2019 –
Clauses considered and approved**

455

Clerk: A Bill for an Act to make provision with respect to the provision of pension plans to employees employed in the private sector, to establish a Pensions Commissioner, and for connected purposes.

Hon. R M Clinton: Mr Chairman, I obviously have some amendments.

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Clerk: Part 1. Clauses 1 to 3.

Mr Chairman: Stand part of the Bill.

465 **Hon. R M Clinton:** I have amendments, Mr Chairman.

Mr Chairman: It is normal to –

Hon. R M Clinton: Yes, I know, but arising from the debate.

470 **Mr Chairman:** Clause 4.

Hon. R M Clinton: Yes, but arising from the debate last week when we were looking at the Financial Services – in fact, we have just passed the Bill. On clause 2, ‘Interpretations’, under the definition of ‘pension plan’, as I made reference to last week, there is a reference to the Financial Services (Occupational Pensions Institutions) Act 2006, which in fact we have just repealed, or we will be repealing in Committee Stage in the Financial Services Bill, and I was just wondering what the Government’s view will be as to what they will do to replace that wording.

480 **Chief Minister (Hon. F R Picardo):** Mr Speaker, there will be consequential amendments throughout our body of laws. The Financial Services Act does not come into effect until October but this Bill comes into effect immediately, so it will be dealt with by draftsmen at the time.

Clerk: Part 1. Clauses 1 to 3.

485 **Mr Chairman:** Stand part of the Bill.

Clerk: Clause 4. An amendment was circulated.

490 **Mr Chairman:** I call on the Hon. Roy Clinton to formally move the amendment and then to speak to it.

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

Under Part 2, clause 4(5)(a), this particular clause, as it reads at the moment, says:

An employee-

(a) may elect, by submitting the prescribed form to the Commissioner, not to benefit from a pension plan provided under subsection (1);

495 What I propose, in order to allow for the opportunity for employees to revisit that decision on a regular basis, is to add the words, to the end of this particular sentence the ‘employers must continuously offer pension enrolment to employees who have so selected on the third anniversary of the date of the employee’s election not to benefit from a pension plan’. I have chosen three years as this follows the practice in the United Kingdom. As I say, the object of this is to ensure that employees are provided with every encouragement to save for retirement, as of course a decision made at the age of 19 may not be the decision you want to make at 23, 25 etc.

500 And so, what I would propose is that the revised clause 4(5)(a) read:

An employee-

(a) may elect, by submitting the prescribed form to the Commissioner, not to benefit from a pension plan provided under subsection (1);

(b) employers must continuously offer pension enrolment to employees who have so elected on the third anniversary of the date of the employee’s election not to benefit from a pension plan.

Mr Chairman: Before I put the question, does any hon. Member wish to speak on this amendment? The Hon. the Chief Minister.

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Hon. Chief Minister: Mr Chairman, these amendments and the delay to this Bill arise from the hon. Gentleman telling us at the Second Reading that he was expecting a document that was being put together for him by the Chamber etc. I have to be very clear with the House that I have met with the Chamber and with the Federation of Small Businesses after the Bill was published and they have not raised any issue with us in respect of the Bill. Indeed, I met with the Federation of Small Businesses at some length and they did not raise any further issues in relation to the Bill after the five years of consultation that we have had with them. I understand, in fact, that the Hon. Mr Clinton has not met with any director of the Chamber, and indeed what I see from the documentation that he has provided from his letter in respect of these amendments are references to the public material that has been made available already by the Chamber, the Federation and Unite the Union.

Mr Chairman, this particular amendment I think starts the process of upsetting the balance that the Government has done, and it is the Government that has done that balance after five years of discussion, negotiation and consultation. In essence, in what we are going to see in the next little while there are two points which would be welcomed by the union and two points which would be welcomed by the Federation and by the Chamber. We have already done that balancing act. In relation to this particular amendment, what Mr Clinton is proposing is that employers should keep a record of the date on which every single member of their staff refuses to become involved in a pension scheme, and every three years thereafter – and that may not be a uniform date; that could be a different date for each individual – they have a legal obligation to offer again the pension to that employee. In the Government's view, that is administratively burdensome, it is not in the interest of the business efficacy of the legislation and it is not in the interest of businesses generally. So, although the Chamber and Federation might be very pleased with points 2 and 5 of Mr Clinton's letter, which we will come to, they will be very disappointed with points 1 and 3.

We believe we have done the right balance and therefore we will not be accepting this amendment.

Mr Chairman: Does the hon. Member wish to reply to this point? I know that the hon. Lady also wishes to contribute.

I call upon the Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Chairman, after having stalled the introduction of this Bill for over a week I was expecting a lot more from the GSD's amendment. After all, the Command Paper has been open to public consultation for a year and three months and the GSD has waited until the Bill has been brought to Parliament to consult stakeholders. It almost appears to me as if they have pushed the boundaries of the definition of usefulness to justify the delay they have caused by insisting that the Third Reading be taken another day. In fact, I would go further and suggest that the GSD's amendments, particularly clause 2, are a retrograde step. What is the point of introducing a mandatory private sector pension if you are going to include a clause for exemptions reliant on a decision by a Minister? All you are doing is opening a door to cronyism, a mechanism really for an uneven playing field where some businesses have to pay into a pension scheme while others, fortunate enough to be in the Minister's inner circle, might be exempt. In their proposal the GSD has not even set out a transparent process where the Minister's decisions can be scrutinised.

Is this the kind of Gibraltar that the GSD want in the future, where one Minister can decide *a dedo* who has to meet the social responsibilities and who does not? (*Banging on desks*) Not on my watch, Mr Chairman, so naturally I shall be voting against this clause.

Hon. E J Phillips: Mr Chairman, is the hon. Lady speaking to the amendment or is she speaking to the entire amendment as issued by Mr Clinton? Just for clarification, is she speaking to the amendment?

Hon. Ms M D Hassan Nahon: Yes, the amendment, and I was guided by the Clerk to speak at this juncture, considering this was the point I was willing to make.

Mr Chairman: Yes, the Hon. Roy Clinton.

Hon. R M Clinton: Mr Chairman, I must confess to being surprised at the attack which we have just experienced by the hon. Lady. She will be aware that the Bill before the House is, of course, significantly different to the Command Paper. I do not know if she has taken the trouble to actually consult with any of the stakeholders, as I have. Despite what the Chief Minister says, they have concerns and certainly the union are not entirely happy with the Bill as drafted and certainly think it can be improved.

Whereas the Chief Minister has taken the view that he determines what is the balancing act, I would remind them it is Parliament that determines what is the balancing act and it is Parliament that passes legislation, and therefore it is for us in this place to determine where the balance lies, not him personally.

I would remind him as well that, as I have just said, there is significant difference between the Command Paper and this Bill, and certainly from conversations I have had with the Chamber, the Federation and the union, whereas they may not all agree with my proposed amendments, certainly they do feel there is merit in some of the amendments I am proposing.

For the Chief Minister and the Government to take the view that they do not agree with these amendments, certainly this particular one that we are considering at the moment is something that is law in the United Kingdom and if the United Kingdom do not consider it to be administratively burdensome I do not see why we should with less employers and less employees. So, really it is for the Chief Minister to explain to the union why they do not consider it is in the interests of employees to be consulted every three years, other than taking the side of the Chamber, in which, as he suggests, he thinks it may be far too burdensome.

Mr Chairman, if he has nothing further to add on this particular clause I would suggest we vote on it, on this clause.

Hon. Chief Minister: I do have something to add, Mr Chairman. Having been in this place now for a considerable period of time – since 2003, in fact; not as long as the Father of the House or indeed the Deputy Chief Minister – I have worked out that it is Parliament that legislates and not the Government. I also – and I think this is what the hon. Gentleman has not worked out – have worked out that the people sitting on the Government benches have a majority and therefore it is the Government, having presented a Government Bill, that is likely to determine with its majority which parts of the amendments are going to be accepted, not as a show of bravado in any way but simply because the Government has been involved in doing an exercise for five years on this Bill.

We published a Command Paper and we are accused of having changed the Command Paper before publishing the Bill. Well, Mr Chairman, as I told him in the Second Reading and general principles debate, that is exactly what the process was for: in order to understand which parts of our Command Paper unions representing working people, and Chamber and Federation representing businesses, felt went too far in each particular area, and we therefore, as the Government, having done the consultation, believe we have struck the right balance.

The hon. Gentleman says things today which are different to some of the things he was saying on Friday. He is saying if something is the law of the UK why can't it be the law here, where we have less businesses and less employees. Well, we have less women – shall we just make our law on abortion the law of the United Kingdom? It is obvious that if the hon. Gentleman is going to raise simply having carbon-copy versions of the law of the United Kingdom, then the person sitting to his right, who is the Leader of the Opposition, was saying the opposite in the course of the debate on abortion. So he is making a point which contradicts other points which they make. We

610 make our own laws in Gibraltar and they are calibrated in a different way in relation to each subject. We have done the calibration after a lengthy period of consultation in relation to this Bill.

He says that he has met individuals. Well, Mr Chairman, my understanding is that he is misleading the House, that he has not met directors of the Chamber and he has not met individuals in the union since we had the discussion at the Second Reading and general principles stage of the Bill, and all he has done therefore, as the hon. Lady rightly points out, is delay this Bill in order to do the homework that he could have done otherwise – because everything that he has put in the amendments that are before us now are things which the Chamber, the Federation and the union said, before the Bill came to the House for debate, in their public statements after the publication of the Bill, where they each did the balance and said, ‘We like some things that have been taken out from the Command Paper because we rejected those, but we wish some others had been left in.’ Both of them said the same thing, indicating to the Government therefore, and in the further discussions we have had with the Chamber, the unions and the Federation, that we have struck more or less the right balance.

Nonetheless, this is a work in progress and it will have to change in the future as it is introduced, and some of the things which we have taken out we may, in the future, in consultation again, decide to bring back in. But at the moment, this amendment, in the Government’s view – because it is the Government that has a majority in this House to legislate in this Parliament – is not something which makes sense on introduction of this Bill. That is why we did not introduce it ourselves, because it creates an administrative burden on businesses.

Mr Chairman, I do not know whether he cleared just points 1 and 3 with the union and 2 and 5 with the people he says he spoke to in the Chamber and the Federation, but certainly in the Chamber and the Federation they would not be welcoming this point. So, this point, having done the exercise and having done the balance, will not enjoy the support of the Government.

Mr Chairman: Roy Clinton.

Hon. R M Clinton: Mr Chairman, one last comment. The Chief Minister seems to be imputing a suggestion that I have not spoken to anyone. I would ask him to withdraw that suggestion unless he has evidence to the contrary, because I can assure him I have.

Hon. Chief Minister: Mr Chairman, I will not withdraw the suggestion. If the hon. Gentleman cares to look back at *Hansard* he will see I have said that he has not met with directors of the Chamber on the subject.

Hon. R M Clinton: Mr Chairman, I never said I had; I said I had consulted with the Chamber and the Federation and their representatives, naturally. He may choose to put words in my mouth, but what he is suggesting is entirely untrue, in terms that I have not consulted.

Hon. Chief Minister: Well, Mr Chairman, I insist that if an individual comes to this House and says that he has met with the Chamber and the Federation and he now admits that he has not met any director of the Chamber, then he has by his own mouth demonstrated that he was misleading the House. He may have met the cleaner of the Chamber, he may have met the secretary, he may have met the administrative assistant, but if he has not met a director of the Chamber, who has he met who is able to give him direction for the board of the Chamber? That is exactly the sort of mealy-mouthed attempt that the hon. Gentleman constantly makes to pretend one thing when he has in fact done another. And this is an attempt to pass through the head teacher the fact that he had not done his homework, that the dog had eaten it. He has now come to the House with a document purporting to bring amendments, all of which he could have done when we were considering the Second Reading and general principles and he did not do because he was not ready, and he therefore deprived working people of the operation of this Bill for a number of weeks as a result. Typical, Mr Chairman!

Hon. R M Clinton: I doubt the people I spoke to will consider themselves the cleaning individuals or anything of the like. They were certainly people in authority and he should know that.

665 Mr Chairman, I do not think there is any benefit in continuing this diatribe with the Chief Minister. I suggest we move to a vote.

Hon. Chief Minister: Well, Mr Chairman, I wonder who in the Chamber, who is not a director of the Chamber, is in authority to speak for the Chamber. I think the Chamber would take a slightly different view to the one that the hon. Gentleman is self-servingly trying to put now.

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Mr Chairman: The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Chairman, it is sad to see that it seems like the GSD believe that they have a monopoly on conversations with the Chamber and interested stakeholders. I can tell you that I have had conversations with stakeholders, namely the union, which is there to protect the workers' interests and I think is the most relevant body for this issue in particular.

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My comments are clear, so I would still ask the GSD, who have not been clear on the way back: why would they want the Minister to have more discretion? They have not provided any explanation to date and I have no doubt that stakeholders from across the board would be interested to know where this clause comes from, or what benefit it brings to the worker, to the employer or to anyone.

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Mr Chairman: The Hon. Trevor Hammond.

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Hon. T N Hammond: Mr Chairman, if I may bring the conversation back to the clause in question, because we are talking about the first clause, I am quite surprised that the hon. Lady is voting against that clause if indeed she is endorsing the position of Unite the Union. (*Interjection by Hon. Ms M D Hassan Nahon*) Well, we are not actually discussing the second clause; we are discussing the first clause. So, on the basis that she is going to vote against, presumably she is going to vote against the clause that is specifically requested by Unite the Union.

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If I may take the conversation back to the specific merits of the clause, I really do not believe, as an employer myself, that requesting an employer to just refer back to an employee every three years whether they wish to join the pension scheme is overly burdensome in terms of administration. Many of the larger employers have pension schemes anyway, if not all of them, so I do not think we are talking specifically or necessarily about them, although I accept there may be one or two that do not have pension schemes, and smaller employers probably do not have so many employees that they really should struggle to maintain that obligation.

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I think the common sense behind an amendment of this nature and the common sense of having a law that requires this is simply that yes, people's circumstances change and people may change their minds over time, and to exclude them from a pension scheme without having to change employer – in other words, in order to have an opportunity to reapply for a pension scheme they would have to change employer – (*Interjection*) Well, they would; otherwise, if they remain with a single employer for their entire employment period –

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Hon. Chief Minister: Mr Chairman, the hon. Gentleman is completely wrong. He has completely misunderstood the amendment that they are moving. An employee can opt in at any time – he can say no one day and then the next day he can say 'I made a mistake, I want to opt in', but what hon. Members are doing ... And it may be that a different iteration of this can happen in the future, but what hon. Members are doing and they have not understood is this: that any employee who has made an election to stay out of a pension scheme, on the third anniversary of such election must be expressly offered by the employer the option to join again the pension scheme.

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Let me just give them an example: an employer with 300 people. Each of those 300 people, on a different day in the year, makes his decision. Paul says on Monday the 1st, 'I've decided not to', Albert says on Tuesday the 2nd, 'I've decided not to', and so on and so forth for the 300 working days of the year. The obligation of the employer is to go back to Paul on the third anniversary of Monday the 1st and to go back to Albert on the third anniversary of Tuesday the 2nd, and so on and so forth, the 300 days of the year. The employer is, each day of the year, going back to employees. This is not 'every three years at the end of the first quarter remind all your employees who have opted out to opt in', this is not 'every two years or every three years give them the choice'; this is 'on the anniversary of the individual's election to stay out, go back to the individual'. So you have to keep a record of the day on which the individual said no, and on the third anniversary go back to him. It is extraordinarily burdensome.

The Government is going to be looking at options with Unite the Union to ensure that periodically, probably once every six months – not once every three years, as hon. Members are suggesting; once every six months – we run campaigns for people to opt in. But as Mr Hammond is completely wrong and you do not do yourself out of going into a scheme once you have said no, then they will be able to exercise that option if they are, in the moment of our promoting it, of the view that they were wrong a year ago, six months ago, three years ago, four years ago.

This clause creates more of an administrative burden on employers than I have ever seen any Government bring to this House, because it requires a register running for three years from the date of each negative election by an employee to choose to be in a pension scheme. They have not understood what they are proposing. What we will propose – which is not in the legislation – which is to run a biannual campaign to make employees realise the benefits of being in these schemes, will be more effective, will be more periodic, will achieve more for working people and will be more welcomed by those who represent working people and will take the burden away from business. The Government and the union will carry that burden in carrying out a public information exercise that will reach everybody in our economy. That is why we are not going to accept this clause, that is why they are wrong to put it, and that is why they have not even understood it.

Hon. Ms M D Hassan Nahon: Mr Chairman, can I interject here? I just want to say, for the record of *Hansard*, I am never instructed by anybody. It seems like it is the GSD themselves who, from what they show, are the ones instructed by religious moral lobbies and otherwise – (*Interjection*) I am sorry – to enhance their votership. And they still have not answered my query, Mr Chairman. I am sorry, but instructed by nobody. I have conversations and I draw conclusions for the benefit of the people of Gibraltar.

Thank you.

Hon. E J Reyes: [Inaudible] are we talking on the amendment?

Mr Chairman: Hon. members are in a particularly fractious mood this morning. (*Laughter*) Maybe it is because it is Monday. It is the first time we have had to meet for ages at 9.30 in the morning on a Monday. Of course, we are in committee and therefore there is no problem – the debate can swing one way and the other and they can have as many interventions as they wish.

Now, the Hon. Edwin Reyes wants the floor – or is it the Leader of the Opposition who wants the floor?

Hon. E J Reyes: Mr Chairman, I just want to bring to your attention I have sat here quietly, I am listening to the arguments put forward by both sides, I have a very open mind, I have a track record in the unions, I am trying very hard to understand what the Chief Minister is saying and I must admit there is a certain validity behind what he is saying. I look at the positive side. He has given a good signal to the workers: because you opt out now it does not mean you are forever, for the rest of your life.

So, having taken that as a constructive feedback from the Chief Minister, for a Monday morning I am a bit appalled as to why the Lady has decided to go on a party political broadcast fling, not really talking on the proposed amendment to this clause of the Bill. Mr Chairman, that is why one gets upset on a Monday morning.

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Hon. Ms M D Hassan Nahon: Mr Chairman, I am equally appalled by the GSD accusing me of being instructed by anybody, and I do not think that is collegiate at all.

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Mr Chairman: Right, unless anybody has any other point to make on this first amendment of the Hon. Roy Clinton, I am going to put it to the vote.

Those in favour? (**Some Members:** Aye.) There are 4 votes in favour at the moment. Those against? (**Some Members:** No.) The amendment is defeated.

The Hon. Roy Clinton now has the floor to move his second amendment.

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

As this clause is not being amended, I am at least gratified that there will be a public campaign to encourage employees to join schemes, which was what the object of the clause of the amendment was.

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My second amendment is to do with start-ups. I know during the Second Reading the Chief Minister was not amenable to any suggestion as to excluding entirely start-ups, and he did mention the 12 month qualification period.

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This is a suggestion that is entirely my own. This is not something that either the Chamber, the union or anybody else has suggested, but I just put this out there as an idea. I am happy for the House to express their views on it. The idea is this: if there is a start-up business that may be a significant area of employment for Gibraltar, it may be a bit like a business development licence and he may want to give them a period of grace in which to encourage such a start-up, which is why I have worded it in such a way that it must be supported by the Minister for Economic Development. This is something that would be, I imagine, not usual but exceptional for cases in which the Minister for Economic Development may have identified as being of merit. It is not a question of favouring anyone; it is a question of favouring Gibraltar's economy as and when an opportunity may arise. And so my suggestion is that we insert a new clause 4(8) under Part 2, which would read:

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The Minister may provide for an exemption from the provisions of the requirements of this Act for a maximum period of five years for start-up businesses upon application, which must be supported by the Minister for Economic Development.

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Again, the intention here is a bit like a business development aid licence, whereby this would be for economically significant activity for the economy of Gibraltar, which obviously would have to have the support of the Minister for Economic Development. This is not some kind of get-out clause for existing businesses in Gibraltar; this is something that I would envisage would only be used exceptionally. And there is no hidden agenda on this particular clause, Mr Chairman.

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Mr Chairman: The Hon. the Chief Minister.

Hon. Chief Minister: Well, Mr Chairman, I wonder what the hidden agenda is on the other clauses, then! (*Laughter*)

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Let me start by saying that I do not accept the first words that the hon. Gentleman said in introducing this amendment, that his previous amendment was about creating public awareness. His previous amendment was about private obligations in respect of employers, not public awareness, and what I have told him is about public awareness.

Dealing with this clause, I am very pleased that he has told us that it is entirely his own doing, because it is not something that the Chamber or the Federation would likely be proposing – for a

simple reason: the hon. Lady is right, this clause is about favouring some businesses, which are the ones that the Minister decides should be backed. Why should one start-up be different to another?

This Government has introduced a whole plethora of advantages for start-up businesses in Gibraltar. They are exempted from Social Insurance, they are exempted from this and that, from many things in order to encourage new businesses in Gibraltar. If you look at the growth of employment and you look at the growth of numbers of businesses that we have had in Gibraltar, it is a demonstration of the fact that we have got the balance right. When we introduce those schemes, as the hon. Lady has pointed out, every start-up that comes within the definitions gets the benefits of those you know, start-up advantages.

This is about a Minister giving a particular start-up business, when he has been convinced to do so, a particular advantage. And what advantage? An advantage at the sacrifice of the workers who are going to make that start-up a success, and not either in a huge amount, because let's be very clear – 2% is not going to break a start-up, especially a start-up that is already taking the many other advantages that we have introduced in our legislation and in our Budgets which already give these start-up businesses an advantage.

But of course every business has a period of grace in respect of the operation of this law because you have to have been employed by the business for a year before you are entitled. So a start-up business in Gibraltar does not acquire the obligation to give pensions to its employees the day that it starts up; it has to have been trading successfully for a year. That is a way to do it which is objective, which is not in any way designed to give the Minister power to ingratiate himself or be ingratiated to by a start-up.

I think the fact that this has not been requested by the Chamber or the Federation – or indeed by the unions, who are very disappointed to see the hon. Gentleman move this clause, in particular given the five years that he wants to have included – I think that is a self-same demonstration that the hon. Gentleman is telling us the truth. This is all his own work and that is why it is tragically flawed.

Mr Chairman: Does any other hon. Member wish to speak on this particular proposed amendment?

Does the Hon. Roy Clinton wish to reply now?

I will then put the second of the Hon. Roy Clinton's amendments to the vote. Those in favour? **(Some Members: Aye.)** There are 4 votes in favour, but not the same four as voted previously. I hope that the Clerk is able to keep a record of who is voting for and who is not. There are 4 votes in favour. Those against? **(Some Members: No.)** All the others are against. The amendment is defeated.

The Hon. Mr Roy Clinton will now move on to his third amendment.

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

This one, I think, should be a lot clearer and easier for people to understand. The original Command Paper had a clause under Part 2, which on that numbering of that Bill was number 8, and that particular clause 8 contained a provision in respect of ... and bearing in mind that Part 2 is all about registration, administration, membership etc. of pension plans, it actually had a clause 8 which was headed up 'Annual statement of pension benefits'. That clause 8 read:

8. Annual statement of pension benefits

(1) The administrator of a pension plan shall provide annually, or at least at shorter periods as specified in a pension plan, to each member a written statement containing the prescribed information in respect of the pension plan, the member's pension benefits or account balance and any ancillary benefits.

(2) A person who contravenes section 8(1) is guilty on offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

This clause has been omitted from Part 2 of this Bill. I cannot see this particular clause or any similar wording elsewhere in this Bill. I would therefore propose that this clause be reintroduced and inserted as a new clause 8 under Part 2. If accepted, subsequent clauses in the Bill obviously would have to be renumbered accordingly and the arrangement of the clauses amended, such that the new clause 8 would read as I just read.

I would be grateful for the Chief Minister to explain the reasoning as to why the annual statement requirement is removed, because of course it is a critically important document that employees should receive annually, which will show how their pension plans are doing and how their benefits are accruing and would enable them to take informed decisions as to whether their pension plan would be on target to provide the benefits on retirement or perhaps that they may need to make supplemental savings plans for the future. I would be grateful if the Chief Minister could give an indication as to why this has been removed; or, if it has been removed for the reason that it is elsewhere, where is that elsewhere, because I do not see it.

Mr Chairman: Before we go any further – because this is an amendment to clause 8 – we have not voted on clauses 4, 5, 6 and 7, so members may now wish to vote that clauses 4, 5, 6 and 7 stand part of the Bill. Those in favour? (**Members:** Aye.) Those against? Carried. Clauses 4, 5, 6 and 7 stand part of the Bill.

The Chief Minister is now invited to respond to the Hon. Roy Clinton's amendment to clause 8.

Hon. Chief Minister: Well, Mr Chairman, the Command Paper already included something similar, but a number of pension providers explained to us, in the responses to the Command Paper, that different schemes already under the existing financial services legislation applicable to pension schemes already have to provide this information to employees who are part of those schemes. Therefore the provisions were removed because they were considered to be superfluous, because the existing rules already require pension schemes to provide such information to employees in accordance with the terms of the rules and the type of scheme. Therefore, if we were to introduce this provision it could lead to duplication and uncertainty.

Hon. Mr Chairman: Is there any other contribution to this amendment? The Hon. Roy Clinton.

Hon. R M Clinton: So, if I understand the Chief Minister correctly, he will be relying on the Financial Services Commission to police the distribution of annual statements to employees – is that correct?

Hon. Chief Minister: That is not what I have said, Mr Chairman. I have said what I have said, which is that the provision that he wants to introduce is already in our law.

Hon. R M Clinton: Mr Chairman, could he indicate where in our law that provision is?

Hon. Chief Minister: Not right now, but I have told him where it is, in those parts of our financial services rules that govern pension schemes.

Hon. R M Clinton: Mr Chairman, we just went through the Committee Stage on our new Financial Services Bill and I do not recall that level of granularity in it.

Hon. Chief Minister: Mr Chairman, I think I have been very clear with the hon. Gentleman that he is trying to introduce a duplication into the rules that will govern pension schemes, therefore this clause is not required. If he wants to ferret away and find where the duplication is, I am quite happy to, if necessary, try and dig back to when we did all of this work about a year ago and find where it was that the pension providers told us that this clause was already included. Our draftsman checked it and agreed and therefore decided that this was not necessary.

910

Hon. R M Clinton: Mr Chairman, it is a very important clause, it is so important that it was in the Command Paper, and yet he is telling the House that certain pension providers decided that it was duplication?

915

Hon. Chief Minister: Not decided. I said 'explained'.

920

Hon. R M Clinton: 'Explained', Mr Chairman, but I think we should at least know, if it is a duplication, where the duplication arises. It certainly is not in the Financial Services Bill we just went through the Committee Stage on and I think it is only right that the House be pointed explicitly to where this duplication is. I am happy to receive that information later if it is of assistance to the Chief Minister, but on what is a very important clause I think the House should at least have some visibility as to where this duplication arises.

925

Hon. Chief Minister: Mr Chairman, the House has full visibility on that. Just because I cannot point him to the exact clause where it is in our laws, all of which are public, does not mean that the House does not have visibility.

930

The House has to accept, as it always has, that if the Government is saying that it has a provision or it has been persuaded by those who are going to be affected by a piece of legislation that there is a similar provision which does the same thing and it does not have to be redone, it is not necessary for the House to be taken to the exact provision.

935

It is very simple, Mr Chairman. We introduced the principle of Command Papers. We introduced that principle to enable us to do this work. But when I say something, the hon. Gentleman misinterprets it. I say that pension providers explained something to us and that we looked at it and our draftsman agreed, and then he turns around and says, 'Oh, just because pension providers have decided that,' as if we had put this important piece of legislation – which we promoted and they did not, which we consulted on and they did not – in the hands of pension providers. We did not, Mr Chairman. We have done our work to ensure that we have the best possible provisions available. This particular clause is a duplication that could also cause uncertainty. That is why it has been taken out. I invite him to move the clause formally and let's vote on it.

940

Mr Chairman: I now put the first amendment of the Hon. Roy Clinton to clause 8. Those in favour? (**Some Members:** Aye.) Five votes in favour. Those against? (**Some Members:** No.) The amendment is defeated.

945

We now move to amendment number 4, which is also to clause 8. The Hon. Roy Clinton.

Hon. R M Clinton: Thank you, Mr Chairman, and since we obviously have not introduced a new clause 8, the numbering still follows from the original Bill.

950

This particular clause is directly drawn from Unite's response to the original Command Paper. From their point of view they are looking at the transparency of pension calculations and lump sum commutation payments and they suggested some very specific amendments, that subclauses 8(b), (c) and (d) under Part 2 be amended by the additional following words at the end of each subclause, as follows: 8(b) 'including details and calculations of any commutation payments'; 8(c) 'including details on calculations and any commutation payments available'; and 8(d) 'along with supporting calculations'.

955

So, Mr Chairman, the revised subclauses 8(b), (c) and (d) under Part 2 would then read as follows:

8(b) in the case of a defined benefit plan, the member's expected benefits as is normal at retirement, including details and calculations of any commutation payments;

8(c) in the case of a defined contribution plan, the amount of money standing to the member's account, including details and calculations of any commutation payments available;

8(d) in the case of a defined benefit plan, the transfer value of the expected benefits as determined by an actuary, along with supporting calculations;

That, Mr Chairman, is the reasoning, or the explanation for the proposed amendments.

960 **Hon. Chief Minister:** Mr Chairman, I have consulted with Unite the Union: they have no wish to proceed with these amendments.

Hon R M Clinton: Mr Chairman, I am not sure when he had the conversation. Certainly in the conversation I have had with them recently is they did not express any desire to remove them,
965 but we can agree to disagree and just go to the vote on this clause.

Hon. Chief Minister: It is not a question of agreeing to disagree, Mr Chairman. The hon. Gentleman said he has moved the amendments because it was in Unite's original submission. I recognise it was in Unite's original submission when they published this, but ... I do not know when
970 he has spoken to them. When I have spoken to them after he has moved the amendments he has said he has agreed with them, they have told me that as far as they are concerned we do not need to progress with these amendments.

Mr Chairman: I now put this amendment to clause 8 to the vote. Those in favour? (**Some**
975 **Members:** Aye.) There are, I take it, 5 votes in favour. Those against? (**Some Members:** No.)

I will now put clause 8 to the vote. Those in favour? (**Members:** Aye.) Those against? Carried.
Clause 8 stands part of the Bill.

Clerk: Clauses 9 and 10.
980

Mr Chairman: Stand part of the Bill.

Clerk: Part 3. Clause 11.

985 **Mr Chairman:** There is an amendment to the clause. It is the fifth of these amendments in the letter that has been circulated.

The Hon. Roy Clinton.

Hon. R M Clinton: Thank you, Mr Chairman.
990

This is really a tidying up, I guess. It is just to ensure it is beyond any form of reasonable doubt as to what the intention is, and that is, as the Chief Minister explained during the Second Reading, when he said that it would be 2% each. In the reading of the contribution level under clause 11(1) under Part 3, at the very end at the moment it just ends with the wording 'a sum equal to 2% per annum of the employee's earnings', but it does not actually specifically spell out by whom.

995 Certainly if you look at the comparable legislation that was passed in the UK, they actually went to great lengths to spell out who paid what. I do not think that should be controversial at all if the Government is so amenable to just add the words 'each by employee and employer' at the end of that clause 11(1), so that the revised sentence in clause 11(1) reads:

from the date of membership in the pension plan, a sum equal to 2% per annum of the employee's earnings each by employee and employer.

Mr Chairman: The Hon. the Chief Minister.
1000

Hon. Chief Minister: Well, Mr Chairman, there can be no doubt because I was very clear in my speech; and if there is any doubt in our laws, under the authority of a case called *Pepper v Hart* it is possible to look at the debate in *Hansard* and the courts can then make that determination.

1005 But you do not even have to go that far and you do not even have to look at my speech. If you read clause 11 as a whole, then what we feel is that everything is clear, and in fact if you look at each of 11(1)(a), (b) and (c), they state this:

a member of a defined contribution pension plan and his employer shall both contribute ... a sum equal to 2% per annum of the employee's earnings.

1010 So, Mr Chairman, we really think that this is clear. We think in particular it is made clear in my speech. We do not think that there is any of the ambiguity that the hon. Gentleman suggests. Therefore, we do not think that this amendment is necessary and we will not be supporting it.

Hon. R M Clinton: Sorry, Mr Chairman, did he just say 'shall both contribute 2% equally'? That is not in my reading of the Bill under 11(1)(a), unless – (*Interjection*) Oh, I know, it is at the end. I may have misheard him.

1015 **Hon. Chief Minister:** I have got the Bill here, Mr Chairman. I will read it directly from the Bill:

Contributions.

11.(1) Subject to subsections (2) to (5)-

(a) a member of a defined contribution pension plan and his employer shall both contribute equally to the pension fund of the pension plan for the benefit of that member;

And then it continues, Mr Chairman.

Hon. Chief Minister: That is right, Mr Chairman, but I distinctly heard him say '2% equally' when he read out that clause previously, but obviously that is not there.

I have nothing further to add, Mr Chairman. If the view of the Government is that it is clear enough, then I suggest we proceed to a vote.

1020 **Mr Chairman:** Are you withdrawing it or putting it to the vote?

Hon. Chief Minister: Mr Chairman, just to clarify, the reference to the 2% comes at the end of the sentence, so it is at clause 11(1)(a), (b), (c), and then it goes to the final sentence of 11(1) and there is the reference to the 2% at the end of that.

Mr Chairman: I now put the amendment to the vote. Those in favour? (**Some Members:** Aye.) Those against? (**Some Members:** No.)

1030 Now the next one. We are still on clause 11. There is proposed by the Hon. Roy Clinton amendment number 6 to that clause.

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

1035 This is particularly important, I think, in terms of the operation of the entire piece of legislation. The objective of the legislation obviously is to encourage and provide for pension schemes for employees in the private sector. Clause 11(8) at the moment, under Part 2, gives the Minister complete discretion, without notice or consultation, to vary the contribution rate, and at the moment, as the legislation stands, that would be a total of 4%, being 2% and 2% by employee and employer to take it to 4%. But certainly in the United Kingdom they took the view that the minimum standard for a defined contribution scheme should be 8% of what they called 'qualifying earnings', and certainly Unite, unless they have changed their view since, were of the view that 2% on a matching basis would not necessarily provide a meaningful sum for retirement given the current economic climate.

1045 In the United Kingdom they set out clear future dates and targets such that they started off with 2% in total, then to 5% and then finally to 8% over a period of time. This Bill starts at 4%. If we intend to reach 8% perhaps we are on the halfway mark to start with, but I think it would be

beneficial if the Government would flag at this stage what it is that they believe should be the target rate for contributions as to the future level. Otherwise, of course, they would not have introduced this clause in the first place, 11(8), if they felt that 4% would indeed be sufficient to provide pensions to employees on a defined contribution level.

1050 So, what I would suggest is that to allow some flexibility to the Government as to when to bring in increases, if they desire to do so – and again at this stage I do not know if that is the Government's intention, but obviously they have introduced this clause – and also to provide at least a stopgap – and this is certainly obviously something that the directors of the Chamber and the Federation would probably welcome, more so than Unite, although Unite I think would also
1055 welcome some kind of indication of what the future target rate will be – we add the following words to the end of clause 11(8) under Part 3, as follows: 'subject to a maximum contribution rate of 4% per annum of the employees' earnings contributed by employers and employees each. Such increases to be given with one fiscal year's notice between date of gazette and implementation'. This would mean that the target total contribution rate would be 8% earnings effectively, and the
1060 notice period reflects the concerns of the Chamber that they would want some kind of notice as to any increases in future.

And so the revised sentence in clause 11(8) under Part 3 as amended would then read:

The Minister may, from time to time, by order vary the rate specified in subsection (1), subject to a maximum contribution rate of 4% per annum of the employee's earnings contributed by employers and employees each. Such increases to be given with one fiscal year's notice between date of gazette and implementation.

This would then give some certainty as to what the target rate is that is proposed by the Government and also the mechanism by which it would be introduced.

1065 Thank you, Mr Chairman.

Mr Chairman: The Hon. the Chief Minister.

Hon. Chief Minister: Mr Chairman, there is a very good Spanish saying that says that by the
1070 mouth dieth the fish. The hon. Gentleman has told us that the directors of the Chamber will 'probably' welcome this and that Unite 'may' welcome this, which suggests that he has not discussed it with either of them.

The clause that is being sought to amend is a clause that simply says this:

The Minister may, from time to time, by order vary the rate specified in subsection (1).

The hon. Gentleman has read us what he would like to include there and he wants to introduce
1075 very tight controls, a statutory cap on what the Minister is able to do. We believe that Ministers should have the freedom to be able to provide increases subject to their views on how the market is performing – indeed, this could be something that forms part of Budget debates in the future. If you ask the Chamber and Federation they will always tell you they want the longest lead-in period for any increases in costs possible, but this is about protecting the rights of workers and
1080 trying to reach the right balance – and the right balance in the future may be completely different to the balance that Mr Clinton today thinks is the right balance, the one that he wants to impose strictures on. He wants to handcuff Ministers from being able to provide more support for working people. This Socialist Party is not going to accept that and I think our colleagues in the Liberal Party will agree.

1085

Hon. R M Clinton: Mr Chairman, I fully agree with the Chief Minister that this is about pension provision for employees, but I have not heard him give an indication of whether the Government is satisfied with the 4% level at the moment, or what indeed is the aspiration for the future. Now, of course the economic environment may change from day to day, from month to month, from
1090 year to year, but certainly in other jurisdictions like the UK they were able to take a view that for

them 8% was the target rate. Does the Government have a target rate to which they are aiming? I think both employees and employers need to know if, for example, next year they intend to increase that rate by 2%, 4%, 10%. What per cent? Does he have any ideas at this present moment in time?

1095

Hon. Chief Minister: Mr Speaker, all the ideas I have about what I will do next year are subject to the views of the people of Gibraltar, to be expressed in a General Election and I await their verdict.

1100

Mr Chairman: Is there any other contribution? No. I will, then, put this proposed amendment to clause 11 to the vote. Those in favour? (**Some Members:** Aye.) Five votes in favour. Those against? (**Some Members:** No.) The amendment is defeated.

Clause 11, I will put it to the vote. Those in favour? (**Members:** Aye.) Those against? Carried. Clause 11 stands part of the Bill.

1105

Clerk: Clause 12.

Mr Chairman: Stands part of the Bill.

1110

Clerk: Part 4. Clause 13.

Mr Chairman: Stands part of the Bill.

Clerk: Part 5. Clauses 11 to 18.

1115

Mr Chairman: Stand part of the Bill.

Clerk: Part 6. Clauses 19 to 24.

1120

Mr Chairman: Stand part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

FIRST AND SECOND READING

Damages Bill 2018 – First Reading approved

1125

Clerk: We now return to First and Second Readings of Bills and we commence with a Bill for an Act to make new provision in relation to the applicable rate of return on investment of damages for personal injury and for guidelines relating to the assessment of general damages in personal injury cases.

The Hon. the Minister for Health, Care and Justice.

1130 **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 make new provision in relation to the applicable rate of return on investment of damages for personal injury and for guidelines relating to the assessment of general damages in personal injury cases be read a first time.

1135 **Mr Speaker:** I now put the question, which is that a Bill for an Act to make new provision in relation to the applicable rate of return on investment of damages for personal injury and for guidelines relating to the assessment of general damages in personal injury cases be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

1140 **Clerk:** The Damages Act 2018.

**Damages Bill 2018 –
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.

The Bill's publication followed consultation with stakeholders, including representations from members of the legal profession and insurance industry professionals and also with the Hon. the
1145 Chief Justice and the Financial Secretary. Further, the published Bill was then resent to the General Council of the Bar, as it was then, so that the Bar could examine the final version and make any representations at that time. This has resulted in one amendment, which I will be proposing at Committee Stage together with a change to the short title, to the Damages Act 2019.

The Bill makes provision for two separate but connected matters relevant to award of damages
1150 in civil cases before the courts of Gibraltar. The first of these, contained in clause 3 of the Bill, relates to the setting of the applicable rate of return on investment of damages for personal injury, the so-called discount rate. Compensation in personal injury claims is intended to put the claimant in the position they would have been in had they not suffered the injury. In some cases a claimant will receive a lump sum of compensation to cover their future financial losses, such as loss of
1155 earnings, further treatment and future care needs. A claimant is expected to invest this money and receive a return which they can then use for their future needs. The discount rate reflects the likely rate of return on the investment.

Prior to the cases that I set out below, and in absence of any specific legislation in Gibraltar, the value of personal injury claims has always been assessed by reference to (1) the Judicial
1160 College guidelines in relation to general damages for pain, suffering and loss of amenity, and (2) the English rate of return on investment on investment as set by the English Damages Act currently set as -0.75% under the Damages (Personal Injury) Order 2017 in relation to special damages.

In *Bernal v Riley*, reported in Gibraltar Law Report 2016 at page 314, in relation to the assessment of general damages the Hon. Mr Justice Jack, as he was then, found, without any
1165 adversarial argument and with no formal evidence of Gibraltar's economy, that the English guidelines were not appropriate for Gibraltar, finding that they were too low for the 'particular circumstances of Gibraltar' and that accordingly the Supreme Court should instead follow the Northern Irish guidelines, this being the submission of counsel for the claimant. The issue came before the Supreme Court again in the case of *Wesley Deane Paul Walker v Ormrod Electricity Supply Co. Ltd* in 2017, although this case is unreported. On this occasion the defendant submitted
1170 that the court was obliged to apply the English Judicial College guidelines. Nonetheless, Justice Jack remained of the view that the English guidelines were no longer appropriate and that the Northern Irish guidelines should be applied, again without any formal or independent economical or actuarial evidence but this time having considered the defendant's submissions as to Gibraltar's
1175 standard of living when compared with that of the UK.

Mr Speaker, in relation to the question of the applicable rate of return on investment, the comments made by the Hon. Mr Justice Jack in both *Bernal* and *Walker* have led to much speculation among personal injury practitioners in Gibraltar, be it insurers and the claim handlers and legal advisers or lawyers acting on behalf of claimants, as this issue was addressed but not determined in either case. In practical terms the uncertainty has meant that both sides have taken opposing positions on this question to their respective clients' advantage, naturally, thereby leaving a gaping hole between the parties' respective positions. This consequently meant that the prospects of an early out-of-court settlement greatly diminished or, where a settlement was achieved this was done via a sometimes unsatisfactory meet-in-the-middle approach, leaving insurers potentially overpaying on these claims as a result. The inevitable implication has been that legal costs have dramatically escalated, arguably disproportionately, due to the need to litigate these issues as part of the overall litigation process, which necessarily required costly expert economic and/or actuarial evidence to be obtained.

An option would be to require all claimants and defendants, in such cases where discount rates may be applied, to go to the expense of obtaining their own actuarial evidence and expert reports to argue the issue. The Government is of the opinion that it is not at all a sensible solution, given that coming to an actuarial decision on the discount rate is not an easy task and should not be decided in an ad hoc manner. At best this would result in further expense and time spent in court and result in no certainty with respect to the rate that may be set by the court. Further, and worryingly, it is entirely conceivable that the rate would differ on a case by case basis. Further, with claimants advancing such significantly different discount rates to the discount rate applied in England, the effect is that the value of claims is being increased from a few hundred thousand pounds to claims worth several millions of pounds. The inevitable result is that either insurance premiums will rise considerably – for example, in the hundreds of pounds for straightforward motor policies – or it will price out completely insurers providing the products in Gibraltar. Neither, of course, is a desirable result.

As such, the Bill deals with the uncertainty created by stating that the court, when determining the discount rate in a particular case, shall take into account such rate of return, if any, prescribed by an order made by the Minister with responsibility for justice after consultation with the Financial Secretary of Her Majesty's Government of Gibraltar. However, in the absence of such an order the Bill also provides at clause 3(2) that if and to the extent that a local rate is not prescribed, the England and Wales rate shall apply.

It is the view of the Government that this solution best balances the benefits of having a locally set rate based on a proper actuarial assessment of our economy with the need to have a temporary rate identified immediately for use by the courts, being the rate that most practitioners took as the applicable rate in Gibraltar in any event.

Mr Speaker, the second area covered by the Bill is set out in clause 4 and is with respect to the guidelines to be used in the assessment of general damages in personal injury cases. In a similar fashion to the discount rate, there is provision made for the setting of legal guidelines which will be set by the Chief Justice. It is the requirement for consultation by the Hon. the Chief Justice prior to making such guidelines which would be the subject of a proposed amendment at Committee Stage. The amendment, at the request of the Bar Council, removes the specific need for the Chief Justice to consult with the Minister with responsibility for justice and will be replaced by the Law Commission before making any guidelines. This is what the Government has decided. The Chief Justice may of course still consult with the Minister for Justice should he consider it useful, but this will no longer be a requirement.

Subclauses (3) to (5) of clause 4 deal with what the position will be if no local guidelines are issued by the Hon. the Chief Justice. As with the discount rate, the default interim position will be for the guidelines in effect in England and Wales to have effect. Again it should be stated that these are the guidelines that practitioners took as being applicable in Gibraltar before the effect of the decisions mentioned earlier.

Mr Speaker, this Bill has been drafted carefully with the two default positions set out above so that there is an immediate benefit of bringing certainty to an area in which there had always been certainty but in which certainty had been lost, whilst work can continue to achieve an appropriate local solution.

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, Leader of the Opposition.

Hon. E J Phillips: Thank you, Mr Speaker.

We welcome the Bill as presented by the Minister for Justice. Anyone in this Chamber who is familiar with personal injury cases knows, of course, that they are generally and have been in the past plagued with huge cost and delay and have been met with heartache by claimants and certainly frustration by insurance companies, and that is right.

I understand that there has been difference of opinion that has been expressed to the Minister for Justice from various areas of the legal profession, but it is right, in our view, that this Bill will remove those uncertainties; will, with any luck, lower costs and ensure that delay is considerably reduced. So the two amendments that are being proposed by this Bill have the support of the Opposition, together with the further amendment that the Minister will move at Committee Stage.

Mr Speaker: The Hon. Neil Costa.

Hon. N F Costa: Mr Speaker, just very quickly, of course, to thank the Hon. the Leader of the Opposition for the support that the Opposition will be providing to this Bill.

It may interest the hon. Gentleman to know that, save for one firm, the other three firms that wrote to me were wholeheartedly in favour of this Bill having been published and to be brought to this House.

The thrust of the Bill is as the hon. Gentleman has said, which is to try to encourage both parts of a claim to sit down and be able to have certainty to be able to settle the matter as quickly as possible, avoiding delay and unnecessary costs.

Mr Speaker: I now put the question, which is that a Bill for an Act to make new provision in relation to the applicable rate of return on investment of damages for personal injury and for guidelines relating to the assessment of general damages in personal injury cases be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

Clerk: The Damages Act 2018.

Damages Act 2018 – Committee Stage and Third Reading to be taken at same 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.)**

**Police (Amendment No.2) Bill 2018 –
First Reading approved**

1270 **Clerk:** A Bill for an Act to amend the Police Act 2006, and to make consequential amendments to the Police (Discipline) Regulations 1991.

The Hon. the Minister for Health, Care and Justice.

1275 **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 Police Act 2006, and to make consequential amendments to the Police (Discipline) Regulations 1991 be read for a first time.

1280 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Police Act 2006, and to make consequential amendments to the Police (Discipline) Regulations 1991 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Police (Amendment No. 2) Act 2018.

**Police (Amendment No.2) Bill 2018 –
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.

1285 I have written to you notifying you of the intention to amend the short title in clause 1 from Police (Amendment No. 2) Act 2018 to Police (Amendment) Act 2019.

1290 This is a very short Bill, which seeks to amend the Police Act 2006 and the Police (Discipline) Regulations 1991 to replace the rank of Deputy Commissioner with that of Assistant Commissioner as the principal assistant to the Commissioner in the performance of his duties in respect of the Police Force. All this amendment achieves is to make the position of principal assistant to the Commissioner more commensurate with the position and structure in the United Kingdom. This Bill is merely reflecting a change that is already in use in practice and has no other effect than that stated.

1295 The change came about following the commission of a review of the RGP's rank structure by the Commissioner of Police, which pointed out that the Deputy Commissioner rank did not fully represent the role being performed by the Chief Superintendent both within the organisation or in multi-agency fora. The advice is that the role performed by the Chief Superintendent is comparable to that of an assistant chief constable in a UK county force or that of a commander in the Metropolitan Police. As an example, the Assistant Commissioner is the person who chairs the second tier of Gibraltar's national security apparatus, the Executive Committee of the Gibraltar Contingency Council, where most of the members are heads of departments. The role of Assistant Commissioner is also considered to better represent the position in the RGP's hierarchy as second in command and as deputy in the Commissioner's absence.

1300 Mr Speaker, it is not insignificant to note that the change does not represent any financial increase whatsoever to the RGP's budget.

1305 I commend the Bill to the House. (*Banging on desks*)

1310 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? The Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, we will welcome the amendment insofar as what I believe the Minister for Justice describes as almost international recognition for the Assistant Commissioner but also to reflect the national structure that we have.

1315 Just one question so far as responsibilities: I think the Minister alluded to the responsibilities that the Assistant Commissioner has now vis-à-vis what he would have had as Deputy Commissioner. Has that improved in terms of identifying what he actually does insofar as those new responsibilities are concerned, or is it just that he has been continually doing those for some time?

1320 **Hon. N F Costa:** Mr Speaker, the Bill gives effect in law to what is already happening in practice. So the Assistant Commissioner will have been performing his duties now under that title for quite some time, but we thought it was right to give it legal effect not least because the rank of Deputy Commissioner had been removed from the statute books for some time back.

1325 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Police Act 2006, and to make consequential amendments to the Police (Discipline) Regulations 1991 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Police (Amendment No. 2) Act 2018.

**Police (Amendment No.2) Bill 2018 –
Committee Stage and Third Reading to be taken at same sitting**

1330 **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.)

**Prison (Amendment) Act 2019 –
First Reading approved**

1335 **Clerk:** A Bill for an Act to amend the Prison Act 2011 and the Prison Regulations 2011 to amend the provisions relating to the release of prisoners and to substitute the current provisions relating to remission.

The Hon. the Minister for Health, Care and Justice.

1340 **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 Prison Act 2011 and the Prison Regulations 2011 to amend the provisions relating to the release of prisoners and to substitute the current provisions relating to remission be read a first time.

1345 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Prison Act 2011 and the Prison Regulations 2011 to amend the provisions relating to the release of prisoners and to substitute the current provisions relating to remission be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

1350 **Clerk:** The Prison (Amendment) Act 2019.

**Prison (Amendment) Act 2019 –
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.

The Law Commission has met on a number of occasions to consider parole reform, in particular the point at which a person serving a sentence becomes eligible for parole. The Law Commission received evidence from the Prison Superintendent and the Deputy Prison Superintendent, the Parole Board and members of the Probation Services. After careful, extensive discussion, the Law Commission made a series of recommendations, which Government published for consultation by way of a Command Paper. Following the period of consultation provided for in the Command Paper, Government published the Prison (Amendment) Bill 2019. Mr Speaker, we did not receive any representations from the community.

The Bill seeks to increase the minimum time to be completed for inmates serving a fixed-term sentence from the current third to half of their sentence. Three new categories are created dependent on the overall length of sentence: prisoners serving sentences of 12 months or less will be automatically released at the halfway point of their sentences without licence conditions; those inmates serving sentences greater than 12 months and up to four years will also be automatically released at the halfway point – in such cases, however, inmates will be subject to licence conditions to be advised by the Parole Board, up to three quarters of the sentence, subject to any revocation or additional days that may be imposed; and inmates serving sentences greater than four years will be eligible to apply for parole at the halfway point.

The release of such inmates would not be automatic and would require consideration by the Parole Board, as is currently the case. Licence conditions subject to any revocation or additional delays that may be imposed will remain in force for three quarters of the sentence.

The present system of remission will be replaced by a system of additional days. Additional days for disciplinary offences will be added to the computation of any period of time used to calculate any period governing a prisoner's release. The effect of the additional days is to delay release from prison by the aggregate number of additional days awarded. It also enables those days to be added to the licence period.

It is important to note that the changes brought about by this Bill will have prospective and not retrospective effect. This means that the amendments will only apply to persons first detained after the commencement of those new provisions being commenced.

Clause 3(2) substitutes section 51 of the Act, which presently provides for the remission of a sentence based on the grounds of the individual's industry and good conduct. Remission is not compatible with automatic release and the new section 51 makes provision for the award of additional days. Additional days are awarded to the computation of any period of time used to calculate any period governing a person's release. The effect of the additional days is to delay release by the aggregate number of additional days awarded. The section also provides for regulations made under section 71 for administering the additional days provisions.

Clause 3(2) inserts section 51A and provides for the automatic release of a prisoner who has served the greater of five days or half of a sentence of up to four years' imprisonment. A person who has been sentenced to imprisonment for 12 months or less is at that point released unconditionally. Those serving a sentence of imprisonment greater than 12 months and up to four years are released on licence.

Clause 3(2) also adds a section 51B and makes it clear that persons in prison in default of a payment of a fine are also subject to the new system.

Clause 3(3) amends subsection 53(1) and requires that the Parole Board advise the Minister in respect of licence conditions, including their variation and cancellation for prisoners released under the automatic release provisions in section 51A(3), namely those serving sentences greater than 12 months and up to four years.

Clause 3(4) substitutes section 54(1)(a) and permits for the possible release on licence after having served half of a sentence that exceeds four years. Prisoners serving sentences of over four years would therefore have to appear before the Parole Board should they seek release and licence at the midpoint of their sentence.

Clause 3(5) makes a consequential amendment to section 55 to reflect the change from one third to half of the sentence served.

Clause 3(6) recasts section 56(1) and inserts new subsections (1)(A) and (1)(B). The effect of this subclause is to impose an expiry to the duration of the licence, which will be three quarters of the length of the sentence.

Subsection (1)(A) increases the three-quarter period by the number of additional days that a person may have been awarded for breaches of discipline under section 51, if any.

Subsection (1)(B) provides that where a person is only released after having served at least three quarters of a sentence, that person will remain on licence until the expiry of the sentence.

Clause 3(8) inserts a new section 61A that provides that a sentence expires once a person has been released unconditionally or where the licence period has expired.

Clause 4 amends the Prison Regulations 2011 in accordance with the Schedule to the Bill. Parliamentary counsel advised that we proceed in this way as the proposed amendments are not to apply to persons who either are or have been detained, remanded or imprisoned. By having both sets of amendments in one piece of legislation, its application in any given case should be more readily ascertainable. The amendments to the Act and the regulations are segregated. Clause 3 of the Bill relates to the Act, and clause 4 together with the Schedule effect amendments to the regulations.

In addition to some consequential amendments, clause 4 reduces the period of cellular confinement to 14 days.

Regulations 55 and 56 are in line with the recommendations made by the Council of Europe's Committee for the Prevention of Torture and make some provision for the effective operation of the added days scheme.

Regulation 59 is amended to provide for the prospective award of additional days to persons who have been on remand and who subsequently become fixed-term prisoners.

Clause 5 ensures that a person who was detained by Police on remand or in prison continues to be governed by the law as it stood before the changes made by this Act. This is the case even if the same detainee or prisoner is subject to a second or subsequent order of detention or sentence whilst on remand or in prison. This is important, otherwise a person could be subject to two regimes and this would be unworkable.

Mr Speaker, before concluding, I wish to thank all members of the Law Commission wholeheartedly for their invaluable contributions and expertise in carefully considering our parole laws. It was important for the Law Commission to take the time that was needed to get right the recommendations they made to Government. Any reforms to our laws that deprive persons of the constitutional right to liberty require extensive discussion and thoughtful analysis.

In my view, the Bill strikes the right balance between the objective of deterring persons from committing criminal offences, protecting the public and promoting successful reintegration into the community.

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. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, we welcome this legislation being brought by the Minister for Justice. We congratulate him and also the Law Commission in the evidence that they have taken, and the Parole Board for co-operating in the process in making these recommendations to changes in the law.

1450 Of course, one of the most important aspects of parole reform – or least reform insofar as
remission is concerned – in our view, is rehabilitation of offenders in the context of prison, and
outside prison, and I think the Minister looked at ... The phrase he used towards the end of his
contribution was ‘successful reintegration into society’, and although these rules make it clearer
who is eligible automatically for release with conditions and those who are not, past four years, a
1455 more holistic approach to parole insofar as rehabilitation is paramount in our respectful view.
Therefore, if the Minister has any other comment to make in respect of rehabilitation programmes
that exist in the Prison, I am quite happy to talk to him separately about this, but of course the
most important aspect of this must be the reintegration of offenders within our community after
a period of sentence.

1460

Mr Speaker: Does any other hon. Member wish to speak on this Bill? The Hon. Marlene Hassan Nahon.

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

1465 I echo the Leader of the Opposition’s point on rehabilitation and reintegration of the criminal coming out of prison.

Secondly, just one more point, which is that I regret to see that ... If the Minister for Justice remembers, a few months ago my party, Together Gibraltar, put across a four-point plan with regard to consulting families of victims of crime prior to the criminal coming out for release, and I
1470 am sorry that it has not been emboldened in law, in this Bill.

Thank you, Mr Speaker.

Mr Speaker: Do you want to reply?

1475 **Hon. N F Costa:** Yes, Mr Speaker, first of all to thank both the Hon. the Leader of the Opposition and the hon. Lady for expressing support for the Bill.

In respect of rehabilitation, I will be making a statement as to the extra measures that we have taken in addition to what I already set out in my Budget speech. I take on board the comments made by the Hon. Leader of the Opposition and the hon. Lady in respect of rehabilitation of
1480 offenders so that they reintegrate into the community as quickly as possible and to avoid any recidivist tendencies.

In respect of the point that the hon. Lady does make as to the consultation of families and victims – I think her paper suggested a more structured way to ensure that there is consultation – I wish to make the point that the Law Commission focused exclusively us to the point of eligibility
1485 for parole. It did not consider the separate aspect of how to better structuralise to receive representations of families and victims – that is the second step that the Law Commission will consider when considering further changes to the Prison Act.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Prison Act 2011 and the Prison Regulations 2011 to amend the provisions relating to the release of prisoners and to substitute the current provisions relating to remission be read a second time. Those in favour?
1490 **(Members: Aye.)** Those against? Carried.

Clerk: The Prison (Amendment) Act 2019.

**Prison (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at same sitting**

1495 **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.)

**Matrimonial Causes (Amendment) Act 2019 –
First Reading approved**

1500 **Clerk:** A Bill for an act to amend the Matrimonial Causes Act to make provision for no-fault divorces, reduce the minimum period of marriage required prior to the commencement of divorce proceedings from three years to one year of marriage and to make provision for financial relief applications following an overseas divorce.

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 have the honour to move that a Bill for an Act to amend the Matrimonial Causes Act to make provision for no-fault divorces, reduce the minimum period of marriage required prior to the commencement of divorce proceedings from three years to one year of marriage and to make provision for financial relief applications following an overseas divorce be read a first time.

1510

Mr Speaker: I now put the question, which is that a Bill for an act to amend the Matrimonial Causes Act to make provision for no-fault divorces, reduce the minimum period of marriage required prior to the commencement of divorce proceedings from three years to one year of marriage and to make provision for financial relief applications following an overseas divorce be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

1515

Clerk: The Matrimonial Causes (Amendment) Act 2019.

**Matrimonial Causes (Amendment) Act 2019 –
Second Reading approved**

1520 **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.

The Bill will make three substantive changes to the current legislation. The first substantive change will reduce the minimum period of marriage required prior to the commencement of divorce proceedings from three years of marriage to one year of marriage. This change is in line with provisions already in place in the UK. Parties who are in an unhappy marriage will be able to end that marriage after a period of one year of marriage rather than having to wait until they have been married for three years. This is particularly important in today's society, when couples, before marrying, very often have a lengthy period of cohabitation with children and intertwined finances. A party to the marriage or a couple's decision to end a marriage may come shortly after the marriage but following a lengthy period of cohabitation. The Government hopes this change will allow couples in these circumstances to be able to resolve particularly their co-parenting arrangements and their financial issues speedily without having to wait longer than is necessary.

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The second substantive change is to the facts required to prove a divorce. The Matrimonial Causes Act in its current format provides for one ground of divorce, namely the irretrievable breakdown of the marriage. This must be evidenced by one of five statutory facts. Three of these are fault facts, namely adultery, unreasonable behaviour and desertion. The remaining two, the non-fault facts, are two years' separation, which requires the non-petitioning party's consent; and three years' separation, where the non-petitioning party's consent is not required. The proposed changes will retain the one ground for divorce, the irretrievable breakdown of the marriage, but it will no longer be a requirement for this ground to be proved by one of the five statutory facts, be it a fault fact or a non-fault fact.

The current law does not make it easy for parties to end a marriage, particularly in circumstances where a fault fact has to be alleged and proved in order for a marriage to be ended. The proposed amendments will also make it impossible for a divorce to be contested or require the other party's consent.

These changes will most certainly make the divorce process easier by removing the need to apportion blame or wait a period of separation, thereby taking the animosity out of what will already have been a difficult decision to end a marriage. This is all the more important when children are involved and the parties should be focused on co-parenting rather than having to deal with acrimonious divorce proceedings.

By removing the facts required to be shown to support the sole ground of divorce, the Government thinks further that it will serve to protect those spouses who have been the victims of domestic abuse. This is because spouses who are victims of abuse will not (a) be forced to wait for a two- or three-year period after separation before they may bring the marriage to an end; or by not having to confront their abusers in court when giving evidence to allege a fault fact.

To ensure, however, that parties who have decided to divorce have the opportunity to calmly reflect on their decision, the Bill increases the time period between the issue of the decree nisi, the first part of the divorce, to the issue of the decree absolute, the final part of the divorce, from six weeks to six months. This will afford those parties who do wish to reconsider the decision to divorce an extended cooling-off period.

Mr Speaker, the final substantive change is for the provision for a party to a marriage to make an application for financial relief following an overseas divorce. The Government proposes to make this change as it will protect those members of our community who live and/or have property in Gibraltar but whose spouses have chosen to divorce in an overseas country, thereby potentially restricting the respondent party's claim to full and proper financial relief following that divorce. For example, a foreign couple born and married in a third country settle in Gibraltar, have children in Gibraltar and build up a successful business in Gibraltar. The husband or the wife, as the case may be, decides to issue divorce proceedings in their home country. As the law currently stands, the spouse would be unable to make any claim in Gibraltar for financial relief following a divorce in that third country, despite the majority of the matrimonial assets being in Gibraltar, and the spouse would be restricted to whatever relief they could claim in that other country. This proposed change to the Matrimonial Causes Act will change this and allow them to bring an application for financial relief in Gibraltar.

In this respect, a new Part 12 is added to allow for an application to be brought for financial relief following an overseas divorce. Either party to a marriage may apply if the marriage has been dissolved, annulled or there is a legal separation in another country and the divorce, annulment or legal separation is recognised as valid in Gibraltar. Leave of the court must first be granted before an application for financial relief can be made. Where leave is granted, the court has the power to make orders for interim maintenance for the benefit of the applicant or the child of the family. The court shall only have jurisdiction to hear an application for financial relief if one or more of the following jurisdiction grounds are satisfied: (1) either party to the marriage was domiciled in Gibraltar on the date of application for leave or on the date of the divorce, annulment or legal separation in an overseas country; (2) either party to the marriage was habitually resident in Gibraltar for one year prior to the date of application for leave, or was resident for the year

1585 prior to the date on which the divorce, annulment or legal separation in the overseas country took effect; (3) either or both of the parties to the marriage had, at the date of application for leave, a beneficial interest in a dwelling house situate in Gibraltar which was at some time during the marriage the matrimonial home. The court's power to make orders for financial relief following an overseas divorce and the statutory factors to be taken into account are akin to those powers and factors had the divorce been granted in Gibraltar; likewise the judicial separation proceedings.

1590 The Government is currently working with the Hon. the Chief Justice to amend the current Family Proceedings (Matrimonial Causes) Rules to support the proposed amendments to the Matrimonial Causes Act. The grounds for nullity proceedings will remain unaffected, of course, by the changes, as nullity proceedings have a different legal effect. In other words, if successful, the marriage is considered not to have been a valid one, whereas a divorce recognises that there was
1595 a valid marriage but a divorce dissolves it.

Mr Speaker, it is often the children in a marriage who tend to suffer from the consequences of what can at times be a highly charged and hostile process. By way of this Bill the Government intends to promote a more sensitive post-divorce environment, which would benefit both the couple and the children by ending the often witnessed culture of blame. Further, the Government
1600 wants to tackle the significant impact that contested divorces can have on those who have suffered traumatic domestic abuse at the hands of their spouse. In all, divorces are acrimonious enough, in the Government's view, to have to bring blame into the equation. This Bill seeks to bring about as harmonious a process of separation as possible. This is especially important to minimise stress and hostility during what can be some of the most difficult periods in the lives of
1605 families, and children in particular.

Whilst the Government continues to support the institution of marriage, the publishing of the Bill has demonstrated its equally steadfast commitment to address the real problems divorcing families face.

Mr Speaker, I commend the Bill to the House. (*Banging on desks*)

1610 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill? Yes, the Hon. the Leader of the Opposition.

Hon. E J Philips: Mr Speaker, of course just echoing the last words of the Minister insofar as
1615 respecting the institution of marriage, but it is right that this law reflects on the reality of marriage in the modern context and we will give this Bill the support that it so richly deserves. It is an important piece of legislation, in our view, removing blame and acrimony from a very tense situation between couples, and focuses effectively on allowing parties to move on from that relationship and assist, of course, most importantly, the children recovering from separation of
1620 their parents. Therefore, on this side of the House we fully support this legislation, we welcome it and we congratulate the Government for bringing it. A very, very sensitive issue in our community, but one which needs addressing and we thank the Government for bringing it.

Mr Speaker: The Hon. Marlene Hassan Nahon.

1625 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I would like to congratulate too Minister Neil Costa for spearheading this reform to Gibraltar's divorce laws, where the focus of divorce proceedings will cease to be the ascribing of blame to one party or another and where the minimum period of marriage required prior to presenting a petition for divorce will be reduced.

1630 Together Gibraltar, my party, welcomes the end of one partner having to prove the fault or guilt of the other for matrimonial offences such as adultery, desertion and cruelty, to obtain a divorce. Such an approach is usually very costly and complex and frequently causes irreparable damage to the individuals involved, and more so when they have children in common. It is therefore fair for a less adversarial and even amicable option to be available for married couples
1635 wishing to dissolve their legal bond to each other, namely a divorce on the grounds of irretrievable

breakdown. This reform to our divorce proceedings may help build bridges between individuals who may no longer love each other or wish to share their lives with one another but who may still desire to be good parents and feature prominently in their children's lives.

Mr Speaker, the Matrimonial Causes Act dates back to 1962 and was later overhauled in line with 1974 UK legislation. It reflects outdated social positions regarding a woman's place in society. Over 50 years later, the idea that a divorcing couple needs to apportion blame for the breakdown of a marriage is not just wrong, it is perverse. It injects poison into an already difficult scenario by encouraging the public exhibition of personal lives. Of course the first casualty is the child, all too often used as a pawn in a chess game by one party seeking advantage over another. My party therefore supports this initiative, and should the Government not have acted so expeditiously would have proposed it itself.

Mr Speaker, because it is well documented that children who experience separation and divorce yet have access to two loving and involved parents are more successful in gaining educational qualifications, in seeking out educational opportunities they are less likely to get into trouble at school and are less likely to exhibit negative behaviour or mental health issues than children who experience a messy divorce full of blame, conflict and ultimately the preclusion of seeing one of the parents on a regular basis. All these are reasons enough to remove the need for people to have to enter into a legal joust where one is unwanted and unnecessary. It is therefore a very positive reform and I once again commend Minister Costa for seeing it through.

However, as I mentioned in my Budget speech just a few weeks ago, Together Gibraltar would like to see further reforms aimed at promoting a more sensitive post-divorce environment. We urge the Government to take the necessary and important steps to implement a Government-sponsored mediation service for family and matrimonial disputes. This would greatly assist separating couples to reduce the conflict that almost inevitably accompanies the breakdown of a relationship for the benefit of the couple – and, crucially, for the children of the relationship – without this assistance coming at a significant financial cost. Divorce should not bankrupt people financially and emotionally. It should be a vehicle that enables people to have another chance at happiness without making them go through hell to achieve it or cause irreparable damage to children in the process.

Mr Speaker, if I may, on a few points and specific clauses, clause 2(10)(b), the reduction of time from three to one year is welcome, but a year is a long time to wait at times. If the Government can explain: why have they not just substituted it with 'reasonable time' and leave it to the courts on a case by case basis? I understand, for example, in the UK you can send your petition for divorce by post within a period of six months, I believe.

Clause 2(14)(a): why the increase in time?

Clause 2(18): I wonder whether the wording requires further thought. The definition has two legs to it. The first, in our opinion, is obvious and adds nothing to the mix because 'separated' means separated. Then the first leg refers to a separated couple needing to live apart for the courts to consider them as such, but then in the second leg of the definition the point is made that couples can live together and even share out household chores and still be considered separated. This is quite nebulous. I would appreciate some clarity. By the way, also, what does the phrase 'household services' actually refer to?

Finally, Mr Speaker, this is a long-overdue process of legislation, and while respecting religious doctrinal views, my party will be supporting it. There is still a long road ahead, but I believe that Minister Costa has set us in the right direction with a clear destination visible on the horizon.

Mr Speaker: Before we carry on, perhaps I should, for the record, make clear that this Bill has been certified as being of an urgent nature.

Does any other hon. Member wish to ...? The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I am a divorcee, and in the process of understanding at a personal level how the divorce laws in Gibraltar work, I experienced things which I did not experience in the process of advising on divorce. I spent a lot of time advising on

divorce at the time I started in practice, so when I saw that the United Kingdom were considering, through the Law Commission, these amendments to their laws, which had been spoken about for some time but had not really progressed, I immediately asked the Minister for Justice to look at how it might be possible for us to adopt whatever position the United Kingdom might seek to advance in respect of changing divorce.

My experience is that divorce sometimes is made acrimonious by the state of our law. In other words, our current law requires the parties – who might have decided simply that they can no longer continue to have a loving relationship akin to marriage – to find fault or to pretend that there is fault, and even in the context of that pretence there is sometimes therefore an estrangement of what might otherwise have been a continued relationship of friendship.

I think that it is long overdue that the United Kingdom should review its laws in this way and it is absolutely right that we should in fact in Gibraltar be making these changes before they have been made in the United Kingdom. So our laws in this respect would now be more a vanguard than the laws of the United Kingdom. The hon. Lady when she introduced civil partnerships introduced them also for heterosexual partners, something the United Kingdom had not done. The United Kingdom then did it. Here we are taking the benefit of the work that the United Kingdom Law Commission has done and making it already the law of Gibraltar.

I sincerely believe that this will make the lives of those who decide that they can no longer continue in a marriage and who do not need to attribute to each other fault or blame that this will enable them to get on with their lives more quickly and in a way that is less requiring of guilt on the part of either party.

I recognise that some years ago our laws did not even recognise divorce. Now they recognise divorce without the principle of fault, if this House supports this Bill as it has indicated that it will. I think that is a good thing, Mr Speaker. I think that this really is progress and I am very pleased indeed to have asked the Minister for Justice to pursue this and that he immediately took the issue up directly and has been able to bring this Bill to this House so quickly and with such clarity. *(Banging on desks)*

Mr Speaker: Is there any other contribution before I ask the mover to reply?
The Hon. Neil Costa.

Hon. N F Costa: Yes, Mr Speaker, again to thank the Hon. the Leader of the Opposition and the hon. Lady for expressing their support for the Bill, for the reasons that they have both expressed, especially to ensure that couples who decide to divorce can focus on the things that matter most, which is to get their co-parenting act together and for the process not to inject, as the Hon. the Chief Minister said, by the way that it works, unnecessary acrimony.

Neither the hon. Lady nor the Hon. the Leader of the Opposition have made any comment as to the overseas divorce, but I do not think that we can underestimate the importance that those provisions will have to many members in our community, who unfortunately still tend to be women whose husbands separate in other countries and who, in the absence of these provisions, would not get what we would consider by our own values a fair share of the matrimonial assets during the course of that marriage.

In respect of the question that the hon. Lady asked me, I think I understood her correctly – if she is referring to the separation agreements at, it would be proposed 3(1)(e)(vii)(b), the reason for that wording is because it relates to the declaration of separation that parties need to insert in a separation agreement, because of course some parties may not be able to live apart when they separate. By way of that declaration, then the clock starts to tick.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Matrimonial Causes Act to make provision for no-fault divorces, reduce the minimum period of marriage required prior to the commencement of divorce proceedings from three years to one year of

1740 marriage and to make provision for financial relief applications following an overseas divorce be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Matrimonial Causes (Amendment) Act 2019.

**Matrimonial Causes (Amendment) Act 2019 –
Committee Stage and Third Reading to be taken at same sitting**

1745 **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.)

In Committee of the whole House

**Damages Bill 2019 –
Clauses considered and approved as amended**

1750 **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 Damages Bill, the Police (Amendment No. 2) Bill, the Prison (Amendment) Bill and the Matrimonial Causes (Amendment) Bill 2019.

1755 **Clerk:** A Bill for an Act to make new provision in relation to the applicable rate of return on investment of damages for personal injury and for guidelines relating to the assessment of general damages in personal injury cases.

Clause 1 as amended.

1760 **Mr Chairman:** The amendment here is just to change the date from 2018 to 2019. Stands part of the Bill.

Clerk: Clauses 2 and 3.

Mr Chairman: Stand part of the Bill.

1765 **Clerk:** Clause 4 as amended.

Mr Chairman: The Hon. Minister circulated an amendment which he has explained during the Second Reading of the Bill, so clause 4 as amended stands part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Police (Amendment No. 2) Bill 2019 –
Clauses considered and approved as amended**

Clerk: A Bill for an Act to amend the Police Act 2006, and to make consequential amendments to the Police (Discipline) Regulations 1991.

Clause 1 as amended.

Mr Chairman: Again, this is just a change in the date, 2018 being substituted by 2019. So clause 1 as amended stands part of the Bill.

Hon. E J Reyes: Mr Chairman, is there a need now for amendment number 2 in the brackets, I think that should also be deleted?

Minister for Health, Care and Justice (Hon. N F Costa): Mr Chairman, the amendment does not contain any reference to amendment number 2. The amendment now reads 'Police (Amendment) Act 2019'.

Clerk: That was in the letter circulated on 8th July.

Hon. E J Reyes: I accept that. Just to clarify, because the Speaker in the verbal contribution, which is what goes in the *Hansard*, said it was just changing the date and I wanted to make certain that we recorded what the Minister and I had both understood clearly, but for the record.

Clerk: Clause 1 as amended.

Mr Chairman: Stands part of the Bill.

Clerk: Clauses 2 to 4.

Mr Chairman: Stand part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Prison (Amendment) Bill 2019 –
Clauses considered and approved as amended**

Clerk: A Bill for an Act to amend the Prison Act 2011 and the Prison Regulations 2011 to amend the provisions relating to the release of prisoners and to substitute the current provisions relating to remission.

Clauses 1 to 5.

Mr Chairman: Stand part of the Bill.

1805

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Matrimonial Causes (Amendment) Act 2019 –
Clauses considered and approved**

1810

Clerk: A Bill for an act to amend the Matrimonial Causes Act to make provision for no-fault divorces, reduce the minimum period of marriage required prior to the commencement of divorce proceedings from three years to one year of marriage and to make provision for financial relief applications following an overseas divorce.

Clauses 1 to 4.

1815

Mr Chairman: Stand part of the Bill.

Clerk: The long title.

Mr Chairman: Stands part of the Bill.

**Private Sector Pensions Bill 2019 –
Climate Change Bill 2019 –
Pet Animals Sales Bill 2019 –
Public Services Ombudsman (Amendment) (University of Gibraltar) Bill 2019 –
Damages Bill 2018 –
Police (Amendment No. 2) Bill 2019 –
Prison (Amendment) Bill 2019 –
Matrimonial Causes (Amendment) Bill 2019 –
Stamp Duties (Amendment) Bill 2019 –
Financial Services Bill 2019 –
Third Readings approved: Bills passed**

1820

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Private Sector Pensions Bill 2019, the Climate Change Bill 2019, the Pet Animals Sales Bill 2019, the Public Services Ombudsman (Amendment) (University of Gibraltar) Bill 2019, the Damages Bill 2018, the Police (Amendment No. 2) Bill 2018, the Prison (Amendment) Bill 2019, the Matrimonial Causes (Amendment) Bill 2019 and the Stamp Duties (Amendment) Bill 2019, as well as the Financial Services Bill 2019 have been considered in committee and agreed to with some amendments and I now move that they be read a third time and passed.

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1830

Mr Speaker: I now put the question, which is that the Private Sector Pensions Bill 2019, the Climate Change Bill 2019, the Pet Animals Sales Bill 2019, the Public Services Ombudsman (Amendment) (University of Gibraltar) Bill 2019, the Damages Bill 2019, the Police (Amendment No. 2) Bill 2018, the Prison (Amendment) Bill 2019, the Matrimonial Causes (Amendment) Bill 2019, the Stamp Duties (Amendment) Bill 2019 and the Financial Services Bill 2019 be read a third time and carried. Those in favour? (**Members:** Aye.) Those against? Carried.

Hon. Chief Minister: Mr Speaker, I now move that the House should adjourn to Friday, 19th July at 10am.

Mr Speaker: The House will now adjourn to Friday of this week, the 19th, at 10 in the morning.

The House adjourned at 11.45 a.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.04 a.m. – 11.30 a.m.

Gibraltar, Friday, 19th July 2019

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The Gibraltar Parliament

The Parliament met at 10.04 a.m.

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

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

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

Clerk: Meeting of Parliament, Friday, 19th July 2019.
Suspension of Standing Orders. The Hon. the Chief Minister.

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

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

Meetings in London – Statement by the Chief Minister

- 10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I rise to update the House on meetings I have held in London in the past 48 hours relating to matters of interest to all hon. Members and no doubt also to the wider community.

- On Wednesday afternoon I met with the Prime Minister, Theresa May, at 10 Downing Street. I was accompanied at that meeting by the Deputy Chief Minister, the Hon. Dr Joseph Garcia, and the Hon. Attorney General, Michael Llamas QC. The discussions centred around the tanker
15 *Grace I* and Brexit-related issues. I was also able to use the opportunity to thank Mrs May for her unwavering and solid support for Gibraltar during her time in office. I recalled that she had received me and Dr Garcia for the first time on the day that she was appointed Prime Minister, only hours before meeting Her Majesty the Queen. On this occasion, I allowed myself to tell the Prime Minister that I would not have kept the appointment with me if I had a meeting fixed with
20 Her Majesty the Queen immediately afterwards. The fact that she did set the tone of unwavering, stalwart and staunch support that was to follow in Mrs May's three years in power.

- On Thursday morning, the Deputy Chief Minister and I met with the Foreign Secretary, Jeremy Hunt MP. The meeting with the Foreign Secretary centred on a discussion of the *Grace I* situation and on preparations for our departure from the European Union.

- 25 We subsequently met also with Boris Johnson MP for a more general, convivial and positive discussion of matters of mutual interest and Gibraltar, and in particular the challenges of a so-called 'hard' Brexit and how to mitigate them.

- Mr Speaker, the Government considers it highly significant that within 24 hours we have been able to meet with the current but outgoing UK Prime Minister, the Rt Hon. Theresa May MP, and with the two candidates contesting an election to succeed her. We consider that
30 this reflects the success of the ongoing policy of the Government to put across the Gibraltar

point of view to decision makers in the UK as quickly and as directly as possible. The Gibraltar Government has developed and continues to develop a close working relationship with Members of Parliament in the United Kingdom from across the political spectrum and on all sides of the Brexit argument. The relationship is one based on promoting understanding and support for Gibraltar's cause and not on buying influence. This sensible and methodical strategy has allowed Gibraltar issues to be properly understood across the board. It has also built a solid base of support for our position now and into the future, based on these personal relationships and the persuasive nature of the arguments we advance for Gibraltar.

Needless to say, both the Deputy Chief Minister and I wish both candidates to succeed Mrs May all the best for next week. *[A mobile telephone rang]* No doubt that is one of them also in touch with the Father of the House! *(Laughter)*.

Mr Speaker, I also met, late on Wednesday whilst in London, with Iranian officials, as I had asked the Foreign Secretary on Saturday to offer the Iranian Foreign Minister, His Excellency Javad Zarif. The meeting was held, at my request, in the Foreign Office. We discussed with our Iranian interlocutors matters related to the detention of *Grace I*, in a spirit of seeking to de-escalate all aspects of the issues arising. I am happy to report to the House that the meeting was both constructive and positive. At every stage we emphasised the distinct nature of Gibraltar's jurisdiction and the independence of the Supreme Court of Gibraltar, as well as the importance of the due process of law being followed in a state governed by the rule of law. This matter will be before the Supreme Court today once again, this afternoon. We look forward to continuing to work constructively and positively with officials of the Islamic Republic of Iran to facilitate the release of the *Grace I* pursuant to the satisfaction of all legal requirements.

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

Hon. E J Phillips: Mr Speaker, we welcome the Statement by the Chief Minister. Indeed, we welcome the meetings that he has conducted in London with the Prime Minister, together with the prospective new Prime Minister, whoever that may be in due course.

Of course, the future continues to remain uncertain for our community, but we shall remain positive about our future relationship with the EU and indeed the United Kingdom in the current climate. It would be remiss of me not to remind members of our community that we should all continue to prepare for a difficult time ahead insofar as a hard Brexit is concerned and we would encourage the Government to continue in its efforts to prepare this community for difficult times.

We have met with the Deputy Chief Minister in respect of the risks that we see insofar as the difficulties with the land frontier. I know the Deputy Chief Minister has identified that as being one of the most difficult areas, but I am hopeful that the Chief Minister can also mention a few things about how we are to prepare this community in moving forward in respect of those risks.

Hon. Chief Minister: Mr Speaker, I am grateful to the hon. Member for his reference to the work that we have done this week in respect of matters relating to Brexit. I know that they have met on a number of occasions with me and with the Deputy Chief Minister in relation to these matters.

The fact is that I think everyone in the community is aware of the difficulties that leaving the European Union, whether with a deal or without a deal, will create for Gibraltar. I have been very clear, with those who make remark about the 96% support that staying in the European Union garnered in the referendum three years ago, that – I think I reflect the view of the whole House – that result was not in any way a reflection of any affection for the European Commission and its approach to Gibraltar or lack of affection thereof or therefor. It was a deep reflection of the understanding that everyone in our community has of the importance of the European Treaties in ensuring that Gibraltar and its neighbour, Spain, have been able to enjoy a

relationship without having to reach understandings bilaterally, trilaterally or otherwise, and of course that is one of the key issues that I think we face in the context of any type of Brexit.

85 I am aware that next week the United Kingdom will be sending a number of officials to Gibraltar to continue the in-depth discussions we have held in respect of every area that would be affected by our withdrawal from the European Union, not least the border and issues relating to the rights of citizens etc. And the Brexit Executive Group will be meeting today, chaired by the Chief Secretary and reporting to the Deputy Chief Minister, so I am grateful for the opportunity
90 to update the House also in that respect at the invitation of the Leader of the Opposition.

**Standing Order 7(1) suspended
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.

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

BILLS

FIRST AND SECOND READING

**Gibraltar Residential Properties Limited
(Assignment, Transfer, Vesting, Registration and Notice) Act 2019 –
First Reading approved**

Clerk: Bills – First and Second Reading.

A Bill for an Act to make provision for the assignment, transfer and investing of certain rights, interests and obligations from Gibraltar Residential Properties Limited to GIC Limited; the
100 exemption of the assignment and transfer from registration requirements under the Land Titles Act 2011; for the notice of the assignment and transfer to relevant parties and financing institutions; and for connected purposes.

The Hon. the Chief Minister.

105 **Mr Speaker:** Before the Chief Minister moves the First Reading of the Bill, I wish to confirm that I have received a letter from him signifying the urgency of this Bill.

The Chief Minister.

110 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that a Bill for an Act to make provision with respect to assignment, transfer and investing of certain rights, interests and obligations from Gibraltar Residential Properties Limited to GIC Limited; the exemption of the assignment and transfer from registration requirements under the Land Titles Act 2011; for the notice of the assignment and transfer to relevant parties and financing institutions; and for connected purposes, be read a first time.

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Mr Speaker: I now put the question, which is that a Bill for an Act to make provision for the assignment, transfer and investing of certain rights, interests and obligations from Gibraltar

120 Residential Properties Limited to GIC Limited; the exemption of the assignment and transfer from registration requirements under the Land Titles Act 2011; for the notice of the assignment and transfer to relevant parties and financing institutions; and for connected purposes, be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Gibraltar Residential Properties Limited (Assignment, Transfer, Vesting, Registration and Notice) Act 2019.

**Gibraltar Residential Properties Limited
(Assignment, Transfer, Vesting, Registration and Notice) Act 2019 –
Second Reading approved**

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

I have certified the Bill as urgent under section 35 of the Constitution, as you have indicated, and in that respect the abridgement that I am proposing is for six days or so. The Bill will have been published for six weeks next Thursday, I understand. The Government does not consider
130 that this is too onerous an acceleration of the time limit. The reason for the certification and abridgement of time arises from the fact that Ministers will be travelling after today and that will make it harder for the Government to take the Bill before the end of July. Indeed, the volatile political climate outside of Gibraltar – the election of a new Conservative leader and Prime Minister; Brexit, which continues to take so much of our time, as we have just discussed; and the
135 absence of a government in Spain – at least today has required and may again require me and other Members of the Government to travel at short notice.

We have agreed with those purchasing the 50% equity in respect of the estates which are the subject of this Bill that the Bill will be passed before the end of July, and for that reason the Government considers it needs to take the Second Reading of the Bill today. In the case of this
140 Bill, the Government also requires advisers to be present and their travel may also make available dates more difficult. Additionally, as I have stated, I believe I may be required to travel at short notice again and I cannot therefore be sure that I will be available on other dates.

Indeed, during the course of the rest of my address I will be indicating that it is not the Government's intention to take the Committee Stage and Third Reading today and that I expect
145 that there will be an opportunity for the Government and Members of the Opposition who have an interest – both the Official Opposition and the hon. Lady – to meet before we take the Committee Stage and Third Reading next week.

Mr Speaker, as I set out in my Budget address, the Government is delighted to have been successful in attracting an investment which has allowed the locked-up capital value of certain
150 co-ownership interests held by GRP in certain affordable housing estates to be released. This is being achieved through first-tier institutional investors, namely Barings and M&G.

The estates which are affected are the following: Beach View Terraces, Mons Calpe Mews, Waterport Terraces, Cumberland Terraces, Nelson's View and Bayview Terraces – that is to say the 50/50 co-ownership estates developed by this administration and those developed by the
155 former administration. The first tranche of GSLP co-ownership estates is not affected. This transaction does therefore not involve any of the earlier estates developed, namely Montagu Gardens and Montagu Crescent, Sir William Jackson Grove familiarly known as Gib V, Harbour Views or any of the other estates that had earlier benefited from the 50/50 schemes, although they were not strictly developed as such. Hon. Members will know that Brympton, for example,
160 had a number of properties sold on 50/50 terms, and indeed so did Vineyards as the Government understands, but they were not developed as affordable 50/50 co-ownership estates.

The transaction that underlies this Bill has already been completed and I reported on it to the House during the course of my Budget address, and so this Bill has been presented to finalise certain post-completion aspects of the transfers in question.

In addition to effecting a statutory assignment transfer investing of GRP's co-ownership interest in GIC Limited, this legislation first of all exempts the assignment and transfer from registration requirements under the Land Titles Act 2011 and constitutes notice to relevant parties and financial institutions who have an interest in such an assignment and transfer. I nevertheless want to be clear in saying that the Government, as the sole ultimate owner of GRP, will be providing direct notice, to each relevant individual co-owner, of these arrangements. We will be writing directly to each one, so that apart from the legal notice requirements being fulfilled by this Bill, each owner will have a direct notification from us. They will have direct and cast-iron assurances from us that nothing in respect of their legal or equitable rights will change. They will not be treated any differently by the new owner of the remaining equity in the properties. Indeed, the investors will be bound by exactly the same rules as GRP were bound for the Government. There is therefore no adverse change at all. There is no negative aspect of this transaction for the co-owners. In effect, all there will be is a change of name of the institutional co-owner. I cannot emphasise this enough, Mr Speaker. Indeed, should there be any suggestion by any person or party that there is an adverse consequence to the current co-owners, that would be entirely false and self-serving and I am therefore sure that no one will want to fall into the trap of suggesting something that is demonstrably untrue and legally flawed. It is absolutely trite law that a contract cannot be changed unilaterally by one side to the agreement. There would be no enforceable bargain if one side could change a contract without regard to the considerations of the other side to an agreement. So the co-ownership agreements remain the same but are just now with a different counterparty.

As Members will be aware, the co-ownership interests held by GRP are subject to the terms of a trust deed entered into by individual co-owners and GRP. This has been standard since the first co-ownership estate was created under the administration of the Father of the House. Individuals who own properties on a co-ownership basis in these developments entered into a trust deed with GRP at the time of purchase. This has been a standard part indeed of every single 50/50 transaction since the first estate was developed at Montagu Gardens, remarkably now almost exactly 30 years ago. These trust deeds record and govern GRP's retention of an equitable interest in those properties sold on a co-ownership basis. The trust deeds contain declarations by individual co-owners that such equitable rights are held on trust for GRP. The trust deeds also provide the mechanisms and terms under which an individual co-owner can exercise his or her option to purchase the outstanding equitable interest in the property held by GRP.

What this Bill does is simply to give effect to the completion of the assignment transfer investing of such co-ownership interests and all rights, interests and obligations under the trust deeds from GRP to GIC Limited. The Bill exempts this assignment and transfer from the formal registration requirements under the Land Titles Act 2011 and it provides notice of the changes to all co-owners and financing institutions who have an interest in the assignment and transfer of these rights. The reason for this is that there are so many co-ownership properties that it would be very onerous indeed to have to specifically make the necessary changes to each deed to replace GRP with GIC Limited. That is why we are doing this by way of a law. There have been many such Bills and laws in the past. This type of legislation is in fact quite common, for example, when a bank sells a mortgage portfolio and one lender is replaced by another in hundreds or thousands of contracts. The mortgage or the loan agreement does not change in any way, shape or form. The terms of the agreement do not change, the rights of the person who has taken the mortgage or the loan do not change and their obligations do not change also. The only thing that changes is the counterparty. So if on one day you owe Bank 1 £1,000 and that bank sells its loan book or mortgage business to another bank, then by law – or alternatively, if you do it one by one, by novation agreement – you are told that your obligations

do not change but you must now pay Bank 2 the same sum of money every month for the same period as you agreed with Bank 1. The terms do not change at all and that is the situation with this Bill. The underlying homeowners who own by a co-ownership structure continue in exactly the same position as before. Absolutely nothing changes for them. The only difference is that they have a new counterparty in GIC Limited instead of GRP, but all the terms are exactly the same. The right to sell, the terms of sale and the conditions for sale all remain identical under GIC Limited as they were under GRPL, and indeed all other terms remain identical too.

One key issue, though, Mr Speaker, is that GIC Limited is of course not subject to litigation in Madrid, as is the case of GRP as a result of the construction issues affecting the Gibraltar branch of Bruesa and their litigation dispute with the former administration. I will be able to say more about that particular aspect of this matter to hon. Members opposite when I brief them on this. As I said earlier, I had wished to brief them all on this Bill before we had to take the Second Reading. Indeed, I said as much in my Budget address, at paragraph 192 of the written text, when I said that I expected to be able to take Members through the transaction before we considered this Bill in the House. I have been unable to do so because the political climate has in effect deprived me of enough hours in a day and enough days in the weeks between my Budget address and today to convene those meetings. Indeed, I had hoped that I would have been able to convene those meetings earlier this week at the latest, but for the reasons that hon. Members will have heard me reflect on in the Statement I made a moment ago to the House, it was not possible for me to be here to fix and attend those meetings. My offer is therefore to meet hon. Members on Monday to take them, and any of their advisers that they may wish to bring with them, through aspects of the Bill in more detail, and to take the Committee Stage and Third Reading on Tuesday. We will therefore not be seeking, as I indicated earlier, to take the Committee Stage and Third Reading today.

The co-ownership terms under the trust deeds applicable to individual co-owners have not been and shall not become in any way, however, altered and will continue to be honoured by GIC Limited instead of GRP. This Bill provides that any references to GRP shall be replaced by references to GIC Limited as may be required. This will ensure that GIC Limited in effect steps into the position of GRP in respect of all rights, obligations and causes of action. The terms and valuations for a sale of co-ownership shares will continue to be determined exactly in accordance with the relevant underleases and trustees. Indeed, all arrangements relating to the sale of co-ownership interests shall continue to be administered by LPS under these new arrangements. So, although the counterparty changes from GRP to GIC Limited for co-owners, they will not even have to contact any different third party entity as a result of this change. It will still be LPS that will be the point of contact even after this transaction. The transaction will therefore have no practical impact whatsoever on homeowners should they choose to sell their property or to buy any or all of their remaining co-ownership shares.

Mr Speaker, I reiterate, nothing changes for individual co-owners beyond GRP being replaced by GIC Limited, but the unlocking of this capital value allows the release of funds and these funds will be reinvested with the value of the new co-ownership interests retained and growing within the GIC Limited structure. So, in other words, a dead asset which is financed by our community and was not otherwise accessible to our community is now being released to fund more new, affordable homes for our community. The capital value and growth of assets that we created for one generation of home purchasers is now being used to create an asset for the next generation of home purchasers and this is being done at absolutely no cost or risk to the original home purchasers.

This investment and the release of such value demonstrates continued international confidence in the economy of Gibraltar and entirely preserves all rights and interests of Gibraltar homeowners. Additionally, the key factor here is that we are unlocking the ability to create more affordable homes without having to encumber the rest of the community with new financing costs for the period of the construction and without having to tie up capital value going forward. In doing so, we are in effect lancing a boil, best exemplified in the valedictory statements of Sir

Peter Caruana – the greatest Gibraltarian of all time, according to some (*Interjections*) – in his last address during a Budget session in 2015. In that year, Sir Peter said this:

There are still things left to be done. But there is a limit even to the amount of housing for example which is historically our acute problem. There is even a limit to the amount of home ownership housing that this community given its limited size can absorb. There are, I acknowledge, pending things left to do.

That is a direct quote from him.

270 We agree, Mr Speaker, that it would be hard and indeed essentially unfair for this community
to continue to indefinitely fund low-cost, in effect subsidised, affordable housing from the
general resources of the nation. Instead, this mechanism provides a system where the assets
initially created from those general resources are put to work for the benefit of the future
generations of purchasers. Additionally, the finance required for the construction period is
275 absorbed only by the same entity and not by the whole of the rest of the community. In doing
so, we are delivering co-ownership housing at half of cost price for further generations of our
community with the massive discount that is represented by not charging the land value of the
plot on which the properties are built.

I say that not just in explanation of this Bill but in order to ensure that hon. Members and the
280 community as a whole are reminded that the price of the new affordable homes is fixed at cost,
minus the price of the land. The price of the land is absorbed by the taxpayers as a whole, as it is
not charged for. Increases in the cost of homes since our last tranche of affordable 50/50
housing arise of course from the collapse of the pound against the euro since the Brexit
referendum, the increased cost of construction as a result and the end of the recession in Spain
285 and inflation. Despite that, it is also important for people to remember that under our schemes
they can continue to purchase 50% of the properties for sale for half the price and they are not
prejudiced by choosing to do so as against 100% purchasers, as was the case under the former
administration where 100% purchases had first choice.

Mr Speaker, the transactions underlying this Bill are excellent ones that create opportunities
290 for future generations of homeowners, the backbone of Gibraltarian families that are the
lifeblood of our growing and emerging nation. And in doing so we can guarantee no change
whatsoever to the current homeowners in respect of their rights and obligations or other terms
and conditions as against their current counterparty, GRP, when they see their new
counterparty, GIC Limited. This Bill facilitates that process and makes the transition easier even
295 for existing homeowners as well as for the investors, who are confident also of our future and
are supporting Gibraltar's continued socio-economic growth.

In summary, if we did not do this by way of legislation we would have to ask each and every
homeowner to enter into a separate and new trust deed etc., and so therefore this makes it
easier for all the homeowners as well.

300 I want to thank Peter Montegriffo QC and Nicholas Howard of Hassans for their advice to the
Government in respect of this matter, as well as Land Property Services and the Financial
Secretary, Albert Mena, for their diligent hard work in making this new scheme, and to ensure
the continued viability of the 50/50 schemes for our nation's working people. Through this Bill
and through this transaction we will continue to be able to build for those who need to buy at
305 affordable prices.

It is my pleasure to commend this Bill to the House on what is in effect the 30th anniversary
of the 50/50 schemes first being introduced by the first GSLP administration. (*Banging on desks*)

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

The Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, we welcome the intervention by the Chief Minister in respect
of the Bill. We also welcome his apparent reassurance to homeowners in our community in

315 respect of the relevant estates, or at least the Government's interest in those estates that have now been 'sold off', to use the words of the Chief Minister in respect of his Budget address.

It will be recalled, of course, that the Government previously dealt with other aspects of housing in Gibraltar by mortgaging them up to the tune of £300 million, so therefore, the Chief Minister will not be surprised that we have very serious concerns about this particular transaction and the way in which it has been structured. We welcome, of course, his offer to meet with the Opposition before the Third Reading of this Bill so that he can, as he said in his Budget contribution, take us through some of the details of the sale deal, and I think he said 'walk us through the transaction' today. We would welcome that meeting so that we are fully informed of the fine detail in respect of this transaction.

325 We cannot, at this stage, support this Bill that the Government brings in respect of this particular transaction because I think this community expects its Opposition to already have the fine detail. Whilst I understand the Chief Minister has been extremely busy in a very volatile situation concerning Brexit, *Grace 1* and the evolving situation in Spain, he is duty bound to explain to the Opposition the detail of this arrangement so that we can become satisfied and certainly comfortable that this is in the interests ... so that we can give it our support – but at this stage we cannot support the Bill without understanding that detail.

It is unfortunate, of course, that we are in the situation that we are now at the Second Reading of this Bill without that detail, because I do not think it is appropriate for this side of the House to support a Bill without that information. We do welcome the meeting, we look forward to meeting with him and we do not expect just to receive a briefing in relation to the operative parts of this transaction, or as described by him the 'post-operative' parts of this transaction. We would like and we would appreciate the fine detail of this and the commercial rationale for this decision, which has not been included in his intervention this morning.

340 This community deserves to know why the Government believes it is in the wider interest of this community and the wider interests of the public finances of this community to structure this deal in this way before this side can support it. I would be grateful if we could receive that information on Monday so that we can be satisfied at the third stage of this Bill that this is in the wider interests of our community, given what we have always said in relation to the public finances of this community, which we again repeat our concerns about. I know that the Hon. Mr Clinton will be delving into some of the detail that we can glean from the papers and indeed the Bill, but I am sure he will share my very brief analysis in respect of our general position.

Mr Speaker: The Hon. Marlene Hassan Nahon.

350 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I wish to thank the Chief Minister for his primary contribution on this Bill.

I shall be abstaining for the moment, as I have not yet been fully briefed on the position. I believe it is an interesting Bill and a potentially positive Bill for the community, but I will prudently reserve my position until the briefing that has been offered to me for Monday, after which point I shall be in a better position to vote on, or against, this Bill at Committee Stage and Third Reading – on Tuesday if I am not mistaken, when we shall resume the House.

Thank you, Mr Speaker.

Mr Speaker: The Hon. Roy Clinton.

360 **Hon. R M Clinton:** Mr Speaker, regrettably this Bill is the tail end of a much, as the Chief Minister himself said in his Budget statement ... And, Mr Speaker, you will forgive me if I make reference to the Budget statement, but it is particularly relevant to the Bill. He says:

This sale is also linked to a wider deal that also provides the funding platform and framework for the financing of the construction and development of Hassan Centenary Terraces and potentially other affordable housing schemes ...

365 But, Mr Speaker, if you recall, during the Budget session I asked the Chief Minister various questions – to which I have not yet had the answers.

First of all, he talks about GIC Limited having been funded for a subscription of shares by Eruca Investments Ltd – or whatever the strange name of this company is; let's call it 'E' Investments Limited for the sake of expediency – that in turn raised funds through the issue of loan notes to various institutional investors, all part of or managed by M&G or Barings. Now
370 the Chief Minister comes to us with a Bill in respect of a transaction which he tells the House is already completed and effectively all this is is a bit of housekeeping to put the security required into GIC Limited as part of the wider transaction, but to this day we have no clarity as to what that wider transaction is.

Very simple questions. What value loan notes have been issued by 'E' Investments Limited?
375 What is the period of these loan notes? Are they issued in tranches? What is the interest rate on these loan notes? He talks about 3.29% for the construction period, but is that construction period two years, three years? What happens after the construction period? Does the rate go up? Does it go down? Is it floating? Is it fixed? What is it, Mr Speaker?

He also says, rather cleverly – and again I am going to refer to the Budget speech, at 193:

I would just now clarify there is no security or mortgage over any real estate interest in Gibraltar nor has the Government provided a guarantee ...

380 But, of course, Mr Speaker, a search of 'E' Investments Limited shows indeed there is a mortgage, a charge and a debenture over itself in respect of its holding of redeemable shares in GIC Limited – a very clever structure and I commend the architects – but we still have no clarity as to what the overall wider transaction is.

Neither is it apparent to me where the cashflow is going to come from. He says we have
385 taken an 'illiquid residual' interest and we have converted it into liquid cash. This is financial alchemy and he knows it. What other assets have been put into GIC or 'E' Investments Limited that generate a cashflow in order to pay the interest? We all know that with the 50/50s there is no capital repayment schedule or a requirement by which the other 50% owner, the ordinary person in the street in Gibraltar, has to purchase the 50% or required residual interest from the
390 Government. So how is this of any interest to a third party with money to invest when there is no guarantee as to the cashflow or redemption period? How has the Government actually achieved this? Has the Government – and this is pure conjecture, Mr Speaker – perhaps put in some Government buildings to sweeten the deal into GIC Limited and then pay rent and then that way it would generate cashflow? That would make sense to me, but again we have no
395 clarity and I can only speculate.

He talks about the £165 million sale proceeds, but could he tell us what is the value of the 50/50s, because I somehow doubt that GIC Limited will be paying the full value for those 50/50 interests. It could be those 50/50 interests are actually worth £300 million, £400 million, maybe
400 more. I do not know. So if, for example, GIC Limited purchased an asset that was worth £500 million for £165 million, then of course they are sitting on a very nice in-built profit, but of course they do not know when that profit will be realised, and that again will be a risk to the note holders further up the chain.

So again I would ask the Chief Minister to give us clarity as to the wider deal, because all he has done today is come to the House with a Bill to tidy up the tail end of the transaction, to put
405 assets into GIC Limited in a legally expedient manner in probably what is a cost-effective manner as well, rather than having to write to each individual owner of 50/50 schemes.

And so, Mr Speaker, whereas I am sure my legal colleagues this side of the House are perfectly au fait with the concepts of novation, contract and trust deeds and stuff like that and

probably need no lecture on the subject, what I am interested in is the mechanics of the wider structure. What is the value of the loan notes issued by 'E' Investments Limited? What is the term of them? Is there an option agreement, as there was for the £300 million mortgage? These shares that are redeemable that were issued by GIC Limited to 'E' Investment Ltd – according to Companies House, 155,750 shares of a notional value of £0.01, which I presume were issued at a premium – what value has been paid for those shares?

There are so many questions in respect of the structure that I think it is really stretching the good faith of the Opposition to expect us to support this Bill purely on what the Chief Minister has said today. And to give us a briefing just before the Committee Stage, when he knows full well there is probably nothing much in this Bill that we can amend because it is, as he says, effectively a tidying-up structure, once the transactions finish, in order to put into effect the insertion of security ... But there probably is not much we would want to amend in this Bill, because there is nothing much in here that is amendable, as he well knows.

All we need to know in the Second Reading of the Bill is about the principle of it and why this Bill is even required, and it is patently obvious this Bill is required because of the wider transaction – and to this date the wider transaction has not been explained. We need to know how much money has been borrowed for what term, what option agreement there is, what other assets have been put into GIC or some other part of the structure, how is the cashflow going to be generated, who is paying what and what is the value of the 50/50 that was purchased for £150 million.

Again, I commend the architects of the structure – it is very clever, but not very cheap, Mr Speaker. This is actually more complicated than the £300 million mortgage. I digress slightly, but if we are doing so well, why the need to borrow more? Didn't they have £195 million left from the £300 million? Why are we borrowing more?

Whereas he says this is part of a scheme that will ensure that future generations will have affordable housing, without understanding this strange alchemy, this philosopher's stone which converts liquid assets into ready cash, I really cannot see how he expects us to support this Bill.

Thank you, Mr Speaker.

Mr Speaker: The Hon. Daniel Feetham.

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

I personally cannot support this Bill. There are three reasons for it, Mr Speaker. The first is that the devil is always in the detail and the Opposition has no sight of the detail. It is like asking the Opposition to vote blind and it is totally inappropriate, in my respectful submission, for a Government to come to this House in those circumstances asking the Opposition for support in that way.

The second – and this goes to the heart of why I do not believe that we ought to be supporting this Bill – is that the Opposition has held a very careful line since 2012 in relation to public borrowing, and in particular off-sheet public borrowing. I suspect, for the reasons that the Hon. Mr Clinton gave a few moments ago, that while the Government and the Chief Minister in particular described this as a sale during the course of the Budget speech, this is a very complicated structure to allow the Government to effectively borrow £165 million using the 50% share that it owns through GRP in these estates as effectively collateral, as security. The reason for that is that he himself has described this 50% as an illiquid asset. There is absolutely no commercial benefit at all to anybody to buy the 50% that the Government owns in these estates because they cannot sell them on. Even if that increased in value it would have no resale value because they could not sell it on. That leads me to the conclusion that this is a very complicated structure in order to allow the Government to borrow £165 million. Since 2012-13 we have been warning the community not only about levels of public debt but also about the Government's propensity to borrow off balance sheet. And there is one issue which the Government has never, ever been able to satisfy us on – and, I believe, those in the community who know a little bit

about these things – and it is this: that it has borrowed £1.3 billion, plus now the £165 million, and we do not know how much of that has been spent. Therefore we cannot in fact project with any certainty what the economic health of the community from a public finance point of view is, which has been at the centre and at the core of our discourse in relation to these things. For the Government to expect the Opposition to support the Government in those circumstances I am afraid is completely and utterly unreasonable and pie in the sky.

The third reason is that the Hon. the Chief Minister says, ‘Well, GIC is not subject to litigation in Spain.’ That is a complete and utter red herring, as anybody with any experience of litigation and insolvency law would be able to tell you, because to the extent that the Hon. the Chief Minister is saying that by effectively transferring this asset out of GRP into GIC it would be putting assets out of the reach of a creditor should that creditor obtain a judgment in Spain, it is complete and utter nonsense. Under Gibraltar law, for a period of two years after the transfer of an asset out, if GRP were to go insolvent the creditor would be able to trace into the hands of whoever has obtained that asset, particularly if it has been transferred for the purpose of putting it beyond the reach of creditors. He knows that it is inconceivable that if there is a judgment against GRP in Spain or wherever else that is enforceable in Gibraltar through routes that we are all aware of, the Government would not step in and would not satisfy that debt. Therefore, to suggest that this is necessary in order to protect in some nebulous way these estates from the black hand of a creditor in Spain is nonsensical and I for one cannot accept that as a reason.

Mr Speaker, thank you very much.

Mr Speaker: Is there any other contributor to the Second Reading of this Bill? The Hon. Albert Isola.

Minister for Commerce (Hon. A J Isola): Mr Speaker, very briefly, I would just like to take this opportunity, as I think it is appropriate, to congratulate my Friend the Father of the House, the Hon. Sir Joe Bossano, for the sheer genius of what he created 30 years ago. (*Banging on desks*)

I am not sure – can I just clarify if the hon. Members are voting against or abstaining? I was not clear.

Hon. E J Phillips: We are not supporting it.

Hon. A J Isola: ‘Not supporting it’ – well, we will have to listen to whether it is an aye or a no, I guess (*Interjection*). (**Hon. Chief Minister:** Or nothing.) Or nothing, yes. That is more akin to what they normally do.

Mr Speaker, 30 years ago a unique system of developing and providing homes to people in Gibraltar was created by the Hon. Sir Joe Bossano. It has been copied in fact recently in the United Kingdom in a very similar device to deliver affordable housing to its people there. What we are seeing today is another facet of that genius, which is the ability to unlock a value that is in an asset that stays in Gibraltar and cannot be moved from Gibraltar but releases funds to enable the Government to invest that same money back in more housing for other Gibraltarian people. I could not think of anything better. I congratulate the Chief Minister and I congratulate the architects and the people who have made this possible.

Yes, I accept that you are entitled to that detail, of course you are, and that detail will be forthcoming for reasons that the Hon. Chief Minister has made absolutely clear. But what is before Parliament today is not the detail of a commercial transaction the Chief Minister described in his Budget address, but a piece of legislation which is in effect a deed of novation in terms of the 50/50 interests of individuals, which does not change an iota because the interests of GRP insofar as the purchasers and the owners of those houses are concerned are now being put into the name of GIC. It is almost as if they cannot see the wood for the trees. There is

absolutely no change in the hands of each individual who owns a property in any of the housing estates that the Chief Minister referred to, none at all.

515 So that is the Bill that is before Parliament today. What are the hon. Members' views on that Bill? What are the hon. Members' views on the deed of novation transferring the GRP interests to GIC? All the other issues are absolutely valid and can be made, and the detail when it is given you can agree or disagree, you can make whatever commentary you want in a political way, as is your job. But in respect of the Bill that we have before us today, it is simply finalising a transaction that the House was briefed on and informed on in the budgetary speech of the Hon.
520 the Chief Minister.

I could not think of a better way to use a capital asset that is locked and otherwise untouchable than releasing it in this way to provide more homes for Gibraltarians. I commend the Chief Minister and I commend the team involved in delivering this to us and I look forward to seeing many more houses built for Gibraltarian people, unlocking cash that otherwise would not
525 be available to us. *(Banging on desks)*

Thank you, Mr Speaker.

Mr Speaker: Does anybody else wish to speak on the Second Reading of this Bill before I call on the mover to reply? The Hon. the Chief Minister.
530

Chief Minister (Hon. F R Picardo): Mr Speaker, I am grateful to all hon. Members for their contributions.

Thirty years ago when Joe Bossano thought of reclaiming land and building on it, the need for a legal structure also came around. I remember being a very young man then and seeing what
535 was going on as James Levy became the architect then of the trust deed etc. and how you create a trust deed in respect of land that has just been created etc. And then, not as young as me but still younger than he is today, Sir Peter Caruana was involved on the other side of those transactions for Barclays Bank and raised issues about those trustees, and then a final agreement was done. So, ironically, a lot of the people I would consider to be the giants of our
540 community were involved in the structures that have created the, today, 50/50 schemes in one way or another.

So, when the Hon. the Leader of the Opposition says that he welcomes my Statement and welcomes my reassurance, I did think that he was going to tell us that the Opposition, for reasons that we had ventilated in a short digital discussion last night, might want to wait to take
545 a view in respect of what their position would be. But I think it has become increasingly clear, in varying degrees of certainty in the three speeches that we heard from the Official Opposition, that they are going to vote against this Bill – not that they are going to abstain, but that they are going to vote against. Half of me says, 'Then why bother briefing them?' Once somebody tells you 'I am against this in principle' then why would they like to come into the guts and the engine
550 room of the transaction? What is it that you want to do, other than satisfy legal or financial curiosity? It then really just becomes an issue of 'I would like to poke the bits of the engine that run.'

I am grateful, Mr Speaker, and I will come to him in due course, for the clarity that Mr Feetham has brought to the position of the Opposition in respect of the view they are going
555 to take on this subject. Of course, we know what his position was on the amendment to the Crimes Act last week and how he is going to vote in the referendum. I still do not know whether the Leader of the Opposition ... From his speech I did not know whether they were going to abstain on this Bill or whether they were going to vote against.

Mr Speaker: The Abortion Bill or how anybody is going to vote is not relevant to the matter
560 before the House now.

Hon. Chief Minister: No, Mr Speaker, but it is relevant to attitude and that is why I am going to continue to refer to it, because I have as much clarity from the Leader of the Opposition's speech on how he is going to vote in respect of this Bill as I do on how he is going to vote on the referendum in respect of abortion. In other words, Mr Feetham has told us that he is against the Bill and that the GSD has been against issues since 2010 or 2012 – I think he meant 2012, Mr Speaker – and that therefore, because it offends his three basic rules, they are going to vote against this Bill. He did not start by saying that he welcomed my reassurances and he welcomed my Statement and that he was looking forward to the briefing. He was crystal, like a leader should be. *(Laughter)*

Then the Hon. Mr Phillips took us to the fact that there is what they call a mortgage and we call an investment in respect of other assets, not the co-ownership estates but the Government's estates now. I do not understand what their point is in respect of that and I am not surprised that I do not understand because I know they take so many different positions that my fault is trying to reconcile them all and try and find the strand of logic.

They were in favour of selling the family silver. In other words, they were in favour of selling the post-war Government tenancies. They sold that, the crown jewel of assets of the Government of Gibraltar. They sold the crown jewels, the family silver, and they presented that as a great step forward for this community. You could have thought the man they refer to as the greatest Gibraltarian of all time had thought it was, today, 10 years ago and was telling us that this was a giant leap for 'Gibraltariankind' and a small step for each of the tenants who were buying those properties they were selling – flats at Alameda Estate, flats at Varyl Begg, flats at Laguna and Glacis – and they thought sale was perfectly appropriate. They were selling at £x per square metre whilst at the same time telling us that it was important that the community have more properties available for rent. So they were building, at 10 times £x, new post-war tenancies to rent, which they rented at £x to the minus power of a thousand because they were never going to get their money back on the building of those new tenancies, and they told us that that was very good because it was sale. Well, they then criticise us for raising an investment, which they call a mortgage, in respect of those self-same estates and at the same time as we offer, and as the hon. Lady announced in the course of her Budget address, to buy back all of those crown jewels which they sold. So, on the one hand it is good to sell, they say, and bad to mortgage – that is what they say. And then when we sell they say, 'Well, that is just as bad as mortgage.'

Mr Speaker, hon. Members will allow me to continue to seek to distil some logic from what their positions have been and are in respect of these transactions. In this case, what we are doing is selling the equity that we hold in properties that were always for sale in respect of an asset that was always going to be sold. So indeed the trust deed requires the 50/50 purchaser, when he sells on, to sell on at least the 10% of our interest but hon. Members know that most people buy the whole remaining 50% before they sell. So it is not true that there is complete illiquidity in these assets because they are sold on. There is no time when we know we are going to see that sale because there is no requirement to sell, but there is clearly a market in these assets.

They are in favour of sale when they do it, even though they are selling assets that we need and that they demonstrate that we need by creating more of them. So, on the day that they sell a property in Alameda Estate they break ground with Bruesa in an area on the sea front to build Mid Harbours. They sell 200 and they build 300. It is very difficult to reconcile any logic there. Then the approach they take when we create the investment over those tenancy properties is to say that it is a mortgage and that it is a bad thing.

If we were to have a discussion about whether you think it is more appropriate to sell or mortgage, then we could also have a very interesting view – not that I am accepting their characterisation, but you could have a very interesting view – that actually to mortgage, as long as you maintain the payments on the mortgage, is much better than to sell. Why? Because if you sell, you entirely alienate the asset. You sell it. You never see it back. Unless you have written in

615 a right to buy it back, you never see the asset back, you have lost it. So, when you sell the crown
jewel you lose the ruby and then you lose the emerald and then you lose the diamond. If you
mortgage the crown, as long as you make your payments against the financing, you keep the
ruby, you keep the emerald and you keep the diamond, and at the end of the mortgage period
the crown is entirely, both in equity and in law, yours in title again. And indeed, should anybody
620 sell during the period of the mortgage, the equity of redemption comes back to you too.

For those who might not understand that principle, if you have mortgaged the ruby for
£1,000 and you make £950 of repayments and you do not make the last £50 of repayment, the
ruby cannot be sold for less than market value, by then probably £2,000, and you have to be
given back all of the amounts less the amount outstanding. So, if the ruby sold for £2,000, the
625 person who sold it is only entitled to the remaining £50 you did not pay and they have to give
you back £1,950. So you could make a very good argument, if you had done a mortgage, that a
mortgage is better than a sale, because if you have sold something that you never had to sell
you have completely alienated it for good and you have lost it, whilst if you mortgage it all you
are doing is hypothecating it for a period but getting it back at the end.

630 If what you sell is that which you had already required should be sold, and in respect of these
50/50 properties you have passed an obligation on the co-owner to sell when he sells with no
time limit as to when that should happen but an obligation to sell at least a share – 10% – of
what your asset is, then all you are doing is accelerating the alienation. Is that a good thing or a
bad thing? Well, this community has thought it a very good thing for 30 years and this trust
635 deed – and that is why I alluded to who had structured it and who had finessed it for the banks –
has survived 30 years of scrutiny and is, we all agree, a very good thing.

And so there are differences between sale and mortgage, and in many instances there is a
very good argument to do a mortgage instead of a sale, but in this instance you have already
provided for sale – in the deeds which I have suggested are so helpful and so useful in the
640 structure of co-ownership – and all you are doing is accelerating sale and realising the value
earlier.

I think that overarching explanation should be helpful to hon. Members because I really do
not think that they have understood the detail of what it is that is going on here.

The hon. Gentleman told us then that he would welcome being walked through the
645 transaction. Well, I think I have walked them through the transaction but there is a deep
underlying curiosity in hon. Members in the financial engineering that is behind the transaction.
I believe that they should be entitled to that detail and the Hon. Mr Isola has said so as well.
There is nothing in the rules to say that they are, and indeed financial engineering was done
before and we had absolutely no detail of it whatsoever, although we asked and we were told
650 we would not be given it. So, in the context of the mortgages that the former administration did
in respect of a large amount of Government property, all the detail we had was the answers to
questions in Parliament, and the only reason we knew that the transaction had happened was
because our investigations – to use the terminology that hon. Members are enamoured of –
discovered through questions in this House that such a ruse had in fact occurred. So, let's be
655 clear about that. And before hon. Members start to utter that I should not be going back eight
years to the things that they were doing, I wonder if they read their press release on cruise lines
and such like, which goes back 12 years to the things that they were doing. So I think that their
people have lost them that argument for good. I hear the 'hear, hears' quietened quite quickly
on that one.

660 Mr Speaker, let's be very clear: I am not duty bound to explain the underlying financial guts
of this transaction to them, but I am a volunteer to do so. In other words, they found out about
this transaction because I announced it to them and they will know the details of all the issues
that they have raised because I have volunteered, without an obligation to do so, to provide it to
them. That is transparency, Mr Speaker: to give that which you are not required to give.
665 Therefore, I think hon. Members will also lose the argument that they are somehow left in the
dark as to the transaction, although I have said that I fully accept that they have not had it

before the Second Reading on general principles and merit. But that phrase of which I am becoming increasingly enamoured of translating literally – by the mouth dieth the fish, or in this particular month the tuna, although not anymore ... The Hon. Mr Feetham has made abundantly clear that I might walk them through detail, I might take them to financial guts, I might take them to any aspect of the transaction that I might imagine, and yet as a matter of principle, as a leader should, he stands by his view that they would not support the Bill.

And despite that and despite therefore having no reason to take them to the underlying quality of the transaction done here, I volunteer to continue to do so. Why do I volunteer to continue to do so? Because this is a transaction that we must be proud of as a community, not just because of the cleverness of the financial engineering but because of the value to our community and the ingenuity in finding a mechanism that delivers this going forward in a way that addresses the thing that the Hon. Sir Peter Caruana had said in his last valedictory Budget speech, which I referred the House to earlier.

So, Mr Speaker, I really do think that concerns about public finances etc. are things that Mr Phillips rightly says they have been expressing for some time and he repeats their view, and Mr Feetham has said that they have been expressing these things since 2012. I wanted to highlight the juxtaposition of those two positions because, first of all, I think they are true, they have been saying that and they are consistent in that and they have been saying it since 2012, and therein lies the great incongruity and contradiction.

Indeed, going back to the things I said during the course of my Budget address, therein goes almost the utter political discrimination in their approach, because by taking the position that they took since 2012 they demonstrate that they had no concerns one day when they were in charge of the ship and yet the following day they start to express concerns about the self-same ship with the self-same cargo, with the self-same weight – I have ships on my mind today, Mr Speaker, as hon. Members know.

If hon. Members were saying ‘we had concerns from 2015’, well look, Mr Speaker, that is a whole Parliament. We have done all our projects, this is a good reason to say at that stage, ‘Look, GSLP Liberals, we gave you three and a half years and look at where you are.’ They have confirmed today that which I have always been highlighting, namely they have been raising those concerns since the day that they lost office – no, indeed from the moment that I utter a Budget address, Mr Speaker, *(Interjection)* **(Mr Speaker: Order!)** when what we have done is to continue the same structure of public finances except that from the moment we were elected we pulled the handbrake on a number of projects because, as they know, at the ceremonial opening of this House their former leader told us – no, sorry, their former, former, former leader told us – that they were prepared to support a resolution to raise the debt ceiling, because they knew that they were reaching the debt ceiling. They knew that the things which I had said in my apparently devious Facebook video were true, because if they were not then they would not have got up here in this House to say, ‘We know that there is a debt ceiling issue coming and we are going to support the resolution of this House,’ which is the only thing that is required when you are getting near the debt ceiling, a resolution of this House which passes by Government majority, but in this instance we would have had GSD support to exceed the debt limit. And so by 2012 the hon. Gentleman – by the mouth dieth the fish that is Feetham – in this debate tells us that they already had the concerns about the public finances. Thank you for making it that clear.

Mr Speaker, the hon. Lady I think has taken a responsible position with which I cannot argue. She wants to have the detail before she makes up her mind. If that is the case, I sincerely believe that we will be able to show her the same guts of this financial engineering that we will show hon. Members. I know that those who are advising have taken note of the issues that have been raised by her and by other hon. Members in relation to this issue so that we are able to take you to those parts of the transaction at the time that we have those meetings, and then she can make up her mind.

If it is helpful, Mr Speaker, the hon. Lady has publicly said that she has sought a meeting with us on Victoria Keys. We had that meeting and I think as a result we allayed some of her fears but not all of them. She then came out saying that we had had the meeting and that some of her fears had been allayed but that many still continued, a perfectly legitimate political position and I thank her for taking the responsible view that she has taken today.

Mr Clinton starts his address with the word 'regrettably'. Regrettably his speech went on just to ask the same questions he had asked before and to express the same cynical view. He told us last week, I think on a television intervention, that he is just a cynic and that is the way that he approaches life. Well, Mr Speaker, living a cynical life may be fun for some. In my view, in politics we are right to keep a cynical view in respect of the position of the United Kingdom and Spain on many issues that relate to Gibraltar, but when it comes to the growth of this community, the investment in this community and the ability of this community to continue to deliver affordable homes for the families that are the lifeblood of the growing Gibraltarian nation, I am ambitious, not cynical. This Government has demonstrated an ability, through this transaction, with the ingenuity of those advising us, not least the Financial Secretary, which enables us to continue to build on that growing ambition for this community. I eschew cynicism in this respect and I commend ambition.

And so, Mr Speaker, yes this Bill is housekeeping in respect of a transaction that is completed – as if that were something wrong. All of the Bills of this sort that come to this House are about transactions that have been completed. That is why they are required. And indeed, whether this was a borrowing or not, as the Hon. Mr Feetham has suggested he thinks it is, whether it was the Government's direct borrowing or not, as I explained to Mr Clinton in my reply to his very mediocre Budget address this year, all such transactions come to this House post completion. In other words, when we enter into a direct borrowing for the Government with a financial institution, whether it is Barclays, NatWest or any other bank, that is laid in the House after it is done. There is no question of the House being asked whether the Government should or should not enter into a financial transaction. That is not the way that our Parliament is structured. There is no approval pre-completion of these transactions and therefore there is absolutely nothing unusual about coming to this House to tidy up an existing transaction that has been done for the purposes that I explained to the House in my Budget address, that they found out from me had occurred and that they will have more detail on.

Hon. Members are very good at saying, 'Look, we understand everything that you are doing and we support it, but we do not therefore now accept that you did not have time to brief us before you could do this.' Well, look, Mr Speaker, if they understand what we are doing, if they understand the political issues that Gibraltar is facing and if we explain to them why we have to deal with the Bill today, then I would expect them to say, 'Well, look, fair enough.' Mr Feetham's position is 'We are not going to support this Bill because A,B and C' – clear as a leader should be – but to say 'We understand why you have not been able to brief us, but we are not going to support you because you have not given us this detail at this stage' at the stage of general principles and merits and then not ask for general principles of merits, then ask for granular detail of the sort that does not go to general principles and merits is, in my view, entirely contradictory and can only be to approach this with deep cynicism, seeking to have that granular detail provided simply because it is something that the hon. Gentleman has a particular cynical curiosity to have. So be it, Mr Speaker. I have told him that I am a volunteer in providing that detail in meetings that will be held and I have even told him that they can bring unelected members of their political formation, if they like, to those meetings.

Mr Speaker, the Government has not put in any other Government buildings. The hon. Gentleman has asked other questions which he will have the answers to, but the Government has certainly not sold at an undervalue so that somebody feels that they are sitting on a great peach of an investment – we would not have sold at an undervalue.

In terms of general principles and merits, that is what we have explained and I explained it in the context of my Budget address.

The hon. Gentleman then ferreted away and found some detail that he wanted to raise and wants more detail on. Well, so be it, but in terms of explaining general principles and merits we have explained them. Indeed the general principles behind this Bill are actually *very* attractive and I think I have explained them in a way that it would therefore be unfair, untrue and illegitimate to say that this is a transaction that can somehow be described as financial alchemy. We have explained exactly what we are doing. We are selling these assets. We are accelerating the sale of these assets that by trust deed are to be sold at a later time. And so therefore to say that that is alchemy is to go back to 1988 and to be cynical about the fact that land was being created, that homes were going to be built on it, that people were going to buy them, that the Government was going to retain 50% of them, that people would eventually take that 50%, selling an additional 10% of the Government's interest at any time, or indeed the whole 50% if people wanted. That might have been described by some at the time ... Indeed, I am sure that if I went back to the *Hansards* of those dark times I would find 'mirage' and 'alchemy' and other such references – in fact, I think I did in the same passage that I quoted at him in the reply to my Budget address. But now to call that alchemy with 30 years of performance and indicator as to when people sell etc. is simply to deny the underlying reality of that deeply ingenious idea which the GSLP first introduced under Joe Bossano in 1988 and which has been really the main artery through which this community has grown its prosperity and its most precious and valuable resource, its people and its families, because those are the ones that create Gibraltarian families.

Indeed, Mr Speaker, I should just say that I think I have shared with the House before that I am enormously humbled by the fact that what Joe Bossano did and what the first GSLP administration did – and indeed *they* continued, because they also built, not enough but some, co-ownership estates – has a clear and direct effect on the demographic in Gibraltar. In other words, in 1988 the number of babies born a year was 200. You built co-ownership estates and the number of babies born every year is now over 400, so it is clear what people get up to in these homes, Mr Speaker! (*Laughter*) They are building Gibraltarian families, and therefore this is not just about bricks and mortar, this is about building relationships, strengthening families and growing the Gibraltarian population. When Joe Bossano said that the two most precious things that we had were our land and our people he found out a way to make more land and to make more people, (*Laughter*) and boy, did we make more people!

Mr Speaker, as usual I have come to find a new level of intellectual ... Well, I would not put it that way – of debating affection for the Hon. Mr Feetham because of the clarity of the positions that he takes. He is becoming more and more a black and white politician and he left no room for doubt: 'We cannot support this Bill' – what is the point of my taking them through the detail? – 'first of all because we do not have the detail.' Well, I think I have dealt with that already, and they are not voting blind because in terms of general principles and merits I have given them more than we have ever got from them at any time already, let alone the more that we are going to give them, although I know that when we gave them more detail in respect of the £300 million transaction they just were more, in their view, emboldened to be against it rather than persuaded to support it. But that is up to them. I am not for one moment saying that they are going to see how wrong they are just because I show them the detail. They have a monopoly on being obdurate in continuing to be wrong despite being shown the reasons why they should change their view, and that is a political position which I will never seek to persuade him out of.

And secondly, this issue about being very careful about borrowing off balance sheet, thank you for the clarity on that. I have already said what I needed to say about his analysis from 2012, but he is completely wrong and his position was entirely different to that set out by Mr Phillips and indeed Mr Clinton.

He then does this thing which he has become particularly enamoured of from the moment he became emboldened to do so when he took over as the then Leader of the Opposition in 2013, which is an attempt to do what can only be described as *la cuenta de la vieja* – the old lady's

sums – of what the borrowing of the Government is without any indication as to amounts not spent, amounts repaid, amounts invested, amounts mortgaged, amounts borrowed, amounts realised. Forget all of the sophistication of modern finance, forget architects and forget
825 engineers of finance – just the pencil, the tongue, the side of the envelope and the old lady's sums. He ill behoves a political Doña Rogelia, even if that is his approach to finance, but if he wishes to take that approach I can just tell him that he is completely wrong in the sum that he is pretending to do and he would be particularly wrong to now continue to add to the error of his ways by adding another £165 million, in particular now that we have told him that this
830 transaction is an acceleration of a sale in a particular amount and a construction finance in another particular period, because he cannot point to any Government in our history that has developed affordable homes without either farming that out to a developer to do or raising construction finance against it. Simple, and they did both: in one instance they raised construction finance and built both for affordable and for rental and in one they farmed out to a
835 developer. Do I need to remind them of what happened there? They lost their shirts with the developer. They lent taxpayers' money to the developer and lost it. That is what they did. So, in terms of *la cuenta de la vieja*, if we were to do *la cuenta de la vieja* in respect of their affordable-homes adventures *la vieja* ends up losing her skirt, let alone her shirt! Not the most attractive proposition.

840 And so it is just absolutely unfair and, as he knows, because he is involved in the work of sophisticated financial engineering in his practice – he undoes those transactions as a litigator, he defends those transactions and it is no secret that his firm, of which I am also a partner on sabbatical, advertises their expertise in this respect, and he praised his brother here in respect of the work he does – there is nothing wrong with sophisticated financial engineering, it is the way
845 of the modern world, but what is remarkable is that we should try, in making this assessment, to bring the Government down only to the benefit of pounds, shillings and pence-style calculations. I do think that it is important that he realise who our advisers are in this respect because I think it is something that should give him comfort, if nothing else.

Mr Speaker, the hon. Member then took us into this question of GRP and its litigation in
850 Spain. I have said very little about that. The hon. Gentleman launched into a tirade about it. Well, the hardening period is something that can pass quicker than people might imagine. I just tell him that by way of interest. He referred to a period of two years. It is also known in the lexicon of the law as the hardening period. The hardening period sometimes passes quicker than people expect.

855 I will not say more, but I do not know whether he is pretending by raising red herrings to take the example of one of the Conservative candidates in the United Kingdom who held up a kipper in one of his speeches this week, because it felt to me as if he was holding up the red herring in an attempt, with the smell, to try and distract us from the lack of merit of the arguments that he was putting.

860 But I will tell them more on this issue in the context of the discussion that we are going to have. I do not know whether he is going to attend that meeting, whether he will be allowed to attend for his party, but if he does then of course he will have the ability to better understand the issues that arise and why we say that that particular piece of litigation is one of the most rotten parts of the legacy of the party opposite and one of the main reasons why they would
865 never be able to defend that what they left Gibraltar was in any way a golden legacy of any sort.

So, Mr Speaker, for all of those reasons and having, I think, set out now adequately why the interventions of Members of the Official Opposition deserve little merit by way of determining how Members of this House will vote, I would ask that they re-evaluate their view, that they consider perhaps even the more responsible position of the hon. Lady, which is to say 'we are
870 going to abstain until we have seen the guts of this transaction'. Otherwise, what they will be saying to this House is that they are simply against a mechanism designed to guarantee the continuation of the affordable housing schemes for generations of Gibraltarians, despite the fact

that having seen the guts of the transaction that give rise to it they might get very comfortable indeed and may decide that they support it.

875 I would ask them this ... they should be true to themselves. The Hon. Mr Feetham, depending on his mood, is sometimes free in his mind to be clearer and more honest about his views given that he sometimes tells us that this is a moment in politics when he is about to go into the horizon – although sometimes I know that deep inside him there is the thing that says that he is going to stay and keep going. They should look at the guts of this transaction honestly and
880 genuinely, not just cynically, not just to try and score political points. I do not know if they are able to, but if they do and if they look at it genuinely and if they understand the principle – and there is a General Election this year; they could find themselves in government, perish the thought, heaven forbid – they might then say, the morning after the election, ‘Well, you know what, it was not such a bad transaction, we were just saying it for the sake of trying to garner a
885 few votes.’ But look how badly that went for them on LNG the last time they used that tactic.

If they vote no today and if they look at the guts and if they are true to themselves and if they are genuine and if they are honest, on Tuesday I invite them to vote in favour of the Bill.

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

890 **Mr Speaker:** I now put the question, which is that a Bill for an Act to make provision for the assignment, transfer and investing of certain rights, interests and obligations from Gibraltar Residential Properties Limited to GIC Limited; the exemption of the assignment and transfer from registration requirements under the Land Titles Act 2011; for the notice of the assignment and transfer to relevant parties and financing institutions; and for connected purposes be read a
895 second time. Those in favour? (**Some Members:** Aye.) Those against? (**Some Members:** No.) The hon. Lady is abstaining. Carried.

Clerk: The Gibraltar Residential Properties Limited (Assignment, Transfer, Vesting, Registration and Notice) Act 2019.

**Gibraltar Residential Properties Ltd
(Assignment, Transfer, Vesting, Registration and Notice) Act 2019 –
Committee Stage and Third Reading to be taken at next sitting**

900 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading be taken on Tuesday.

If that is a convenient moment, I would move that the House should now adjourn to next Tuesday at 10.30 in the morning.

905 **Mr Speaker:** The House will now adjourn until next Tuesday at 10.30 in the morning.

The House adjourned at 11.30 a.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.35 a.m. – 10.50 a.m.

Gibraltar, Tuesday, 23rd July 2019

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The Gibraltar Parliament

The Parliament met at 10.35 a.m.

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

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

Order of the Day

BILLS

COMMITTEE STAGE AND THIRD READING

In Committee of the whole House

Gibraltar Residential Properties Limited (Assignment, Transfer, Vesting, Registration and Notice) Bill 2019 – Clauses considered and approved

Clerk: Meeting of Parliament, Tuesday, 23rd July 2019.

Order of Proceedings: Committee Stage and Third Reading.

5 A Bill for an Act to make provision for the assignment, transfer and vesting of certain rights, interests and obligations from Gibraltar Residential Properties Limited to GIC Limited; the exemption of the assignment and transfer from registration requirements under the Land Titles Act 2011; for the notice of the assignment and transfer to relevant parties and financing institutions; and for connected purposes.

10 Clauses 1 to 8.

Mr Chairman: Stand part of the Bill.

Clerk: The long title.

15

Mr Chairman: I have been asked, exceptionally, by the Hon. Marlene Hassan Nahon that she would like to have an opportunity – in the light of yesterday's meeting with the Chief Minister when the Opposition received a briefing on this Bill – to explain what her attitude now is. Normally that should happen during the Second Reading of the Bill. I am prepared to exercise my discretion exceptionally, provided that this is not regarded as a precedent. Normally one should not make any speeches either on the long title or during the Third Reading of the Bill. I am prepared – exceptionally, as I say – to bend the rules, but it must not be regarded as a precedent.

20

The Hon. Marlene Hassan Nahon.

25 **Hon. Ms M D Hassan Nahon:** Mr Chairman, yes, in light of the fact that the Opposition got a briefing on this Bill only yesterday from the Chief Minister, the Financial Secretary and their legal advisers, I would like to say a few words at this stage of the Bill.

 This Bill is a practical solution to the administration of the assignment at hand and I will vote in favour of this Bill because I do not want the Government to embark on a longwinded administrative process which could take a long time and jeopardise existing commitments to note holders.

 Had the Government wanted to genuinely engage the Opposition and the people of Gibraltar in the structure, it should have brought, ideally, a motion to Parliament with the forthcoming deal and its reasons for why it believed it was a good mechanism for our community. That would, in my view, have been the transparent move and the reasonable prelude to this Bill. This Bill should not have been the platform on which, effectively for the first time, we learnt about the growth and disclosure of Government borrowing through an administrative assignment green paper.

 This Bill today should not have been about the assignment by law of certain equity interest the Government has in the six housing estates or even the exemption from registration of these interests in the Lands Act. The Bill and the debate should have been about the real debt situation that Gibraltar finds itself in, both off balance sheet and on balance sheet. This should have been formulated in a way which allowed for a platform for candid discussion about our effective indebtedness of the economy and the plans going forward for dealing with that debt, and a frank discussion of the real debt ceiling that we are facing.

 Nevertheless, Mr Chairman, at this stage that we are in and for the reasons I have stipulated, I do believe – much like the situation I find myself in annually with the Appropriation Bill – that the right thing to do will be to support the Bill.

 Thank you.

50 **Mr Chairman:** The Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Chairman, we welcome the meeting with the Chief Minister and his legal advisers yesterday and to some extent we share the views expressed by the hon. Lady in relation to her concerns about the public finances of this community.

 Our position was made clear last night, previously, and we repeat our position today. Our view is that the public finances of the community in respect of this transaction have not been made clear at the appropriate juncture, which is the Second Reading of this Bill. In fact, the hon. Lady has invited more debate on this subject and we would have welcome more debate on this subject in the form of a motion. That has not happened.

 Be that as it may, this is a sophisticated and complex transaction and it is what it is: it is indirect borrowing, adding to the pile of debt and borrowing this community has to face. Therefore, it will not surprise anyone in this House that we will not support the Bill at the Third Reading of it, despite the fact that we welcome and we are grateful to the Government and the Government's legal advisers for explaining some of the finer detail of this transaction. But given our position in respect of the public finances of this community and given the fact that we take the view that this adds to indirect borrowing of the Government, our view is that we will vote against this Bill at Third Reading.

 We also would like the Chief Minister to correct the record in respect of what he said in his Budget speech, where he said:

 we have sold the Government's remaining 50% interest in the equity of the properties in the newest co-ownership estates for £165 million ...

 That is not an accurate representation, from the information we have received. We understand the figure to be £88.5 million rather than £165 million. We understand the mechanics that were

described to us and explained to us yesterday, but we would appreciate it if the Government could correct, for the benefit of the wider community, this position.

75

Mr Chairman: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Chairman, I am grateful that you have allowed hon. Members to say something without setting any precedent in that respect – because there is no precedent to be set. The Government yesterday did something exceptional, which is to brief hon. Members on a matter on which it does not have to brief hon. Members. So all of that is a voluntary process to which the Government submits itself, as we did in relation to the £300 million investment which we disclosed to hon. Members and then took them through the detail of.

85 Let us be clear: the Government is acting more transparently than any Government in the history of Gibraltar has ever done, because when other Governments have, in keeping with the rules, entered into either transactions for the sale of assets, transactions for the hypothecation of assets or transactions for loans, they have not extended to any Opposition before in the history of our Parliament the opportunity to have a detailed brief on what stands behind that borrowing, that sale etc. We do. That goes to the deepest transparency ever illustrated by any Government in the history of our democracy.

90 Taking hon. Members through the detail of what they have said in the context of their statements, first of all I want to thank the hon. Lady for the approach that she has taken – indeed, first of all for making her statement in this House. I had to read the statement of hon. Members about what they thought of our briefing and our Bill in some publication this morning and not have the benefit of hearing it in this House, although of course, if I may say so, the way that it is expressed outside of this House is always more eloquent than the way it is expressed in this House by the Hon. the Leader of the Opposition; but the hon. Lady has, in my view, incorrectly and for all the wrong reasons, reached a reasonable conclusion.

95 100 The reason I tell her that she has done it for all the wrong reasons is that she is wrong to say that there was an obligation – or in some way, shape or form, some requirement – that we come here by way of motion to debate the issue before we enter into this transaction. Never in the history of any Parliament that I am aware of does a Government bring a transaction, before it is entered into, to be voted on by Members of the Opposition in respect of a borrowing or sale. In the context of our Parliament in particular, that has never, ever been the case, whoever has been Chief Minister, and throughout our constitutional history always the requirement is to bring certain transactions to this House.

105 110 This transaction does not have to come to this House. Let's be very clear: this transaction is one of those transactions, like the £300 million investment, that does not have to come to this House, and yet we debate them in this House because I bring the issue to the House. I told the House about the £300 million investment in a Budget and I told the House about this £165 million in this Budget. I transparently bring those issues to the fore. I invite debate on them.

115 120 Mr Chairman, my key point in respect of the point made by the hon. Lady is that I disclosed this issue in the Budget debate. We could have done this transaction without bringing a Private Member's Bill, without bringing any Bill at all, and simply novated all of the contracts, but nonetheless we would have brought it in the same way as I have brought the £165 million. And so I told the hon. Lady and I told hon. Members about this in the Budget debate, a Budget debate in which she and hon. Members opposite were able to then challenge what I had said, and then they have been given this briefing – so she will allow me to disagree with the logic that she uses to build the edifice of her complaints, although I am grateful that the conclusion that she reaches, which I think is the right one, is that therefore nonetheless she should be supporting this approach.

125 This is not an issue that engages a debt ceiling and this is not an issue that engages
borrowing, because there is absolutely none of that, but if the hon. Lady feels as she has told us,
and indeed the Hon. the Leader of the Opposition has told us, that they would wish a motion in
this respect, it is up to them. They can put motions on any subject, including this subject, at any
time, and we can have a debate where they can raise some of the issues that we raised with
them yesterday and they raised with us and we can debate those as long as hon. Members and
130 you, Mr Chairman, allow us to.

So I do not think there is any attempt whatsoever to avoid having those discussions and
having that debate and I would welcome, if the hon. Lady wishes to put a motion, the
opportunity to debate these arrangements because these are arrangements of which the
Government is extraordinarily proud. These are excellent arrangements, not just for this
135 generation but for future generations of Gibraltarians, so that affordable housing can continue
to be built not just for those who were lucky enough to have it since the ingenious idea came
into the head of Joe Bossano and the first GSLP administration delivered it 30 years ago, but so
that we can continue to deliver this magnificent way of getting on to the property ladder for
future generations of Gibraltarians. And so I thank her for her positive vote, although I am not so
140 pleased with the somewhat negative terms in which she has couched it.

Mr Chairman, in the context of what the putative Leader of the Opposition has told us, I must
say that I do feel that we were engaging in a bit of a dialogue of the deaf with them. In a meeting
with the hon. Lady and her team we had a convivial discussion where we were able to get to the
bottom of a lot of issues with very interesting questions that they raised. With hon. Members
145 opposite what we found was that they were simply insisting on the principle that the Hon. the
Leader of the Opposition has been told today to repeat constantly just to try and grab a
headline: indirect borrowing. This is not indirect borrowing by any stretch of the imagination, as
I explained to them in detail yesterday with the benefit of a professional team that was able to
take them through all of the detail and answer all of their questions. The competence of the
150 professional team could not have been any greater and we were all trying to make clear to them
what sort of nature of transaction this is.

For them to now come here to simply say that this is indirect borrowing and that is why they
are not going to support it, because of their concerns about the public finances of this
community, is to have ignored everything that they were told: a dialogue of the deaf, which is
155 just in keeping with what the past seven and a half years have been when we have been
engaging with all of them who are now opposite, except the hon. Lady and indeed the Hon.
Mr Feetham, who is not here. Save for the hon. the backbencher who is no longer here, who was
able to engage intellectually on issues and was able to counter and take forward an argument,
they have simply set themselves up with a political position that they are going to pursue,
160 whatever the reality of what is before them. They want to talk about debt and they want to talk
about indirect borrowing and you can show them the opportunity to kick the tyres, you can
show them the spark plugs, you can show them the internal combustion engine in all its glory
and they are going to say that it is debt even though it is a diesel engine.

So I am not at all surprised, first, at having read their reaction moments after they left my
165 office – which means that they took absolutely *no time whatsoever* to reflect on what they had
been told on what they themselves say is a very complex piece of financial engineering. They did
not seem to understand it when they were in our room, and yet a few hours later they were
already commenting negatively on it and reaching the same conclusion. Frankly, it is absolutely
to do the thing that is politically expedient and not to do the right thing for them to come here
170 simply to say that this is debt and to vote against it and to try and now construct the argument
of the spectre of the public finances.

Mr Chairman, the people of Gibraltar have been through this before. We have been through
it in the 2015 General Election; indeed, I think we started to see the elements of it in the sad
2013 by-election. It appears to me that all that is happening is that hon. Members opposite are
175 setting themselves up once again for the same perennial debates. They are going to go into the

General Election saying Gibraltar is about to be bankrupt if the GSLP do the things that the GSD used to do, but if the GSD are able to do them after the next General Election everything will be fine. Mr Chairman, you could not persuade a deaf, dumb, blind duck that what they are saying makes any sense or is true because they themselves have oft said Gibraltar is not going to be bankrupt, Gibraltar is going to do financially well – because when they think that when the camera is on them they need to say that everything will be all right, they will say that; and when they need to say, in their own view of their politically expedient position, that things are going to go badly, they will say that.

Therefore, Mr Chairman, I am left bereft of hope that this Opposition might ever do something which is in the interest of our community and bereft of hope that they will actually be honest enough to say that their attitude, when taken in the round and analysed logically, is that they would not build more affordable homes for our people, that they would not sate the need that we have for more affordable homes in our community by entering into a transaction which is ingeniously absolutely not borrowing, direct or indirect, but which delivers homes for our people. Finally, if I was a Member of the GSD I would just be left bereft of hope.

But they can put any motion they like – they can then debate the issue with us on debt. The reality is that when, years from now, what we have done is analysed, I sincerely believe that those who have come up with this proposal for the Government and have delivered it will be seen as having had nothing short of a stroke of genius that enables us to continue to deliver affordable homes for our community.

Thank you.

Hon. E J Phillips: Mr Chairman, just one point –

Mr Chairman: No, nothing more to be said.

Hon. E J Phillips: The Chief Minister has failed to –

Mr Chairman: I have come to the conclusion that it would have been better if I had not exercised my discretion so liberally. It is a lesson for the future. That is the end of the matter. The long title stands part of the Bill.

**Gibraltar Residential Properties Limited
(Assignment, Transfer, Vesting, Registration and Notice) Bill 2019 –
Third Reading approved: Bill passed**

Mr Speaker: Will the Chief Minister now move the Third Reading of the Bill, please?

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Gibraltar Residential Properties Limited (Assignment, Transfer, Vesting, Registration and Notice) Bill 2019 has been considered in Committee and agreed to with no amendments, and I now move that it be read a third time and passed.

Mr Speaker: I now put the question, which is that the Gibraltar Residential Properties Limited (Assignment, Transfer, Vesting, Registration and Notice) Bill 2019 be read a third time. Those in favour? (**Some Members:** Aye.) Those against? (**Some Members:** No.) Carried.

FIRST AND SECOND READING

**Supplementary Appropriation (2016/2017) Bill 2018 –
Debate commenced**

Clerk: Bills for First and Second Reading.

220 We are at the First Reading of a Bill for an Act to appropriate sums of money to the service of
the year ended 31st day of March 2017.

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should now adjourn to
Monday, 12th August at 11 a.m.

225 **Mr Speaker:** The House will now adjourn to Monday, 12th August at 11 in the morning.

The House adjourned at 10.50 a.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.09 a.m. – 12.47 p.m.

Gibraltar, Monday, 12th August 2019

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The Gibraltar Parliament

The Parliament met at 11.09 p.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Standing Order 7(1) suspended to proceed with laying of papers

Acting Clerk: Meeting of Parliament, Monday, 12th August 2019.

Order of Proceedings: Suspension of Standing Orders. The Hon. the Chief Minister.

- 5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with the laying of Regulations on the table.

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

PAPERS TO BE LAID

- 10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the table the Integrated Tariff (Amendment No. 2) Regulations 2019.

Mr Speaker: Ordered to lie.

Standing Order 19 suspended to proceed with Government motions

Acting Clerk: Government motions. The Hon. the Chief Minister.

- 15 **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 hereby give notice 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

Awarding of Gibraltar Medallion of Honour –
Motion carried

20 **Acting 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 confers the Gibraltar Medallion of Honour upon the various individuals named hereunder for the respective following achievements, namely:

For services to Culture outside Gibraltar:

Mr Karel Mark Chichon

Having excelled outside Gibraltar in his field of music as a conductor

For public service:

Mrs Elisa Sheriff

Posthumous — Pro-Gibraltar campaigner in London in the 1960s, who stood for election to the House of Commons against the then Foreign Secretary Michael Stewart to promote Gibraltar's cause

Mrs Karen Prescott

The first Gibraltarian Woman Judge.

Mr Louis Triay QC

Services to Politics, the Law and Sailing.

Indeed, to sport generally.

25 Mr Speaker, it is an honour to have the opportunity as Leader of the House to be able to propose the recognition of great work done by Gibraltarians that raises the profile of Gibraltar outside of this jurisdiction, or indeed that adds to the cultural life of Gibraltar inside and outside of our own community.

30 Speaking to the first of the nominees, Karel Mark Chichon – who is only a year older than I am, and I often had an opportunity to hear him tinkling the ivories in the Bayside School music room in the time that he was also a much more gifted music student than I was – Karel has really taken the name of Gibraltar around the world and put us in the collective consciousness of those in the world of classical music who might not otherwise have had Gibraltar on their radar. I think the talent that this man has is being recognised outside of Gibraltar. I know that we sometimes
35 bring orchestras to Gibraltar and they are conducted by people other than Karel Chichon – that is unfortunate; an orchestra performs with the conductor it has rehearsed with – but otherwise Karel Mark Chichon would be an excellent choice to conduct any orchestra. That has been demonstrated by his work in New York, his work all over Europe and indeed getting Gibraltar's name out there for reasons which are not political. Too often Gibraltar is just in the international
40 headlines for political reasons, and that is a very good thing because we put the political arguments in respect to Gibraltar across internationally, but it is also important that people see and hear about Gibraltar for reasons unrelated to politics.

Mrs Elisa Sheriff I think has recently come back into the public consciousness as we have looked back at what was happening in the 1960s, as we have had cause to either celebrate or
45 commemorate respectively different things that happened in those years, both the celebration of the 50th anniversary of the Referendum and we are now embarked on the commemoration of the sacrifices made as a result of the closure of the Frontier. There was a lot of political activity outside of Gibraltar then. The Hon. the Father of the House, Sir Joe Bossano, started

really agitating outside of Gibraltar around that time. There were many others and Mrs Elisa Sheriff was one of those who was doing that work in the United Kingdom, in London, at the time. The Deputy Chief Minister, with the archivist, noted the work that she had done. They raised it to public prominence in the course of the last couple of years and it was absolutely appropriate that we should nominate her – posthumously, unfortunately, and I am sorry to say posthumously because Mrs Sheriff died only recently. This House should recognise the contribution that she made.

Mrs Karen Ramagge Prescott became the first woman judge of the Supreme Court of Gibraltar and she has been recognised for doing outstanding work in that role without fear or favour. So often, when I read what is happening beyond Gibraltar and indeed beyond the United Kingdom – although we might all have views about what is happening in the United Kingdom, when we look at what is happening beyond the United Kingdom, closer to us in Spain, in other European jurisdictions, indeed in the United States, where judges are appointed politically, you get a sense that the sort of justice that is dispensed in these places has more to do with who you are and what your ideology is rather than what the merit of your case might be. Our judges, and in the United Kingdom the judges of the school that we belong to, would never make a decision about anything other than based on the merits of what is before them. We may or may not agree on their legal interpretations, but they make judgments based on the merits of the cases that are before them, and the Government – indeed the Government in the guise of the Crown – is but one other party in the context of a really established principle of the rule of law. We are very lucky, Mr Speaker, in my view, to have a woman judge in Gibraltar who is Gibraltarian, one of ours, who has demonstrated her ability in this particular field of the practice of the law, which is to sit in judgment – as has Anthony Dudley, the Chief Justice, who has also been recognised by this House for the work that he has done, and indeed now the appointment of two more Gibraltarians to the bench in the Supreme Court of Gibraltar, all of whom, every citizen will know, will judge each citizen horizontally, one against the other, in matters related to civil disputes, or indeed vertically in claims by or against the state exactly in the same way and without fear or favour of one party or another. The value of that in a community is so deep rooted and so important that for me it is one of the key criteria why this community should never pass under the sovereignty or control of any sovereign other than the British sovereign, the Crown, Her Majesty, in right of the Government of Gibraltar. Only in the United Kingdom and in Gibraltar, and indeed in the Overseas Territories generally, do we have those guarantees, and in Gibraltar this woman, Karen Ramagge Prescott, is one of the leaders in delivering that principle of the rule of law and equality before the law, which comes from as long ago as Magna Carta and the Civil War – (*Banging on desks*) (**Hon. N F Costa:** Hear, hear.) led by the Minister for Justice.

Mr Speaker, Louis Triay QC was a Member of this House for many years and I have no doubt that I would have disagreed with much of what he said in this place and agreed with a lot of it too, but he is a man who gave service to politics in a previous generation. He then continued to give service to this community in the law. He is one of the pioneers and establishers of what we now call our financial services centre. He is one of the people who really saw those opportunities in the 1960s and 1970s, when Gibraltar was really emerging into the need to have a local economy beyond the shores of this very jurisdiction, and indeed in his chosen sport of sailing he has continued to excel, even now in advanced age, and his recognition I think must be not just in respect of sailing but for sport generally because of the work that he has done in promoting Gibraltar sports beyond Gibraltar, not just in his own chosen sport of sailing. Louis is one of those people who has friendships across the political divide. Although he may have taken one position or another, he has always been a person who has been friendly to all, well known to all, and I am very pleased that long-overdue recognition will be paid to Louis Triay for the work that he has historically done in relation to politics, he has done and continues to do in respect of the law and he has done and continues to do in respect of sport and, in particular, sailing. So it is a pleasure on behalf of the Government to seek that recognition for Louis Triay QC.

Mr Speaker, these are four very deserving recipients of the Medallion of Honour because they have done work which enables Gibraltar to be hugely proud both of the recognition they have inside of Gibraltar and the recognition they have outside of Gibraltar.

105 I should have mentioned, when dealing with Miss Karen Prescott, that the Middle Temple has recognised her work and has made her a Bencher of the Middle Temple, so this is exactly the sort of Gibraltarian that should be held up for particular distinction by the bestowment of the Medallion of Honour by this House.

110 I will say in relation to this motion, as I will in respect of the next motion, that all those who have the Medallion of Honour deserve it, but not all those who deserve the Medallion of Honour have it, and of course that is why the Government has, since the beginning of our period in office, invited the general public, and indeed organisations, to propose to us who should be the recipients of these medallions – we have said it on a number of occasions; I said it the last time we presented it in this House – and indeed we have received a lot of nominations. Not all of them have made it on to the list, but all of those who are on this list have been nominated to the
115 Government by different entities, organisations or individuals. I should also say that since I have been a member of the Gibraltar Honours Board, which deals with honours – state honours in the United Kingdom – I have made a practice of keeping a list of names that the Honours Board has felt should not be or could not be nominated for a state honour, or indeed where those nominations have not prospered to ensure that those names are then brought to this House,
120 where appropriate, for nomination in this House by the Government for those honours. The list that we are dealing with now and the next list contain names also from the Honours Board that have either prospered in respect of state honours but should also be recognised by way of honour by this community, or have not been recognised by way of state honour but it is right should be recognised by this community. So, the list that is before the House now for the
125 Medallion of Honour and indeed the list that is to come in the next motion have been compiled on that basis, on the basis of nominations received from the general public.

Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. the Chief Minister.

130 The Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, we echo and support the motion by the Chief Minister. It is clearly right that we register in this House our support for those who have made a huge contribution to our community and it is right that we have honours such as these and they are
135 bestowed on individuals who have made a huge contribution in their particular areas, so we will join with the Chief Minister in welcoming these honours as bestowed by the Parliament.

Mr Speaker: The Hon. Marlene Hassan Nahon.

140 **Hon. Ms M D Hassan Nahon:** Mr Speaker, for my part I would like to endorse Government and thank them for selecting these individuals, these worthy recipients, for the Medallion of Honour. It is important for our society to recognise great achievements and mark them in history for the future of our community.

145 When talking about Karel Chichon, he is a man with so many musical talents who has inspired and continues to inspire children, adults and newcomers to music, or music lovers, a man who gives Gibraltar a sterling name across the world wherever he goes.

With regard to Louis Triay, he is a man who has served the legal profession for over six decades – or more, I believe, a man who has served in politics, a man who has been very active in the sporting profession. He is someone who deserves nothing less.

150 When we talk about the women who have received this honour today, Elisa Sheriff – sad that it has been a posthumous award – is a woman who stands out for her work in the 1960s, when women barely left the house, let alone fought for the cause in politics and let alone fought for

the cause in politics abroad. That must have taken quite a bit of conviction, Mr Speaker. It is sad that it is a posthumous award – but better late than never, as they say.

155 Karen Prescott, another worthy recipient, is a woman judge who will be an inspiration to women in Gibraltar who will be aware that they can now reach great heights as much as their male counterparts.

Mr Speaker, I take this opportunity to remind Parliament and the people of Gibraltar that there is not enough recognition for the women in our society. There are many fewer accolades and memorials for women out there and I think that it is a good move for Government to have chosen two women within these four recipients today and continue to pay tribute to the women who have served and continue to serve in our communities so that they receive no less than their male counterparts in our community.

Thank you.

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Mr Speaker: Does any other hon. Member wish to speak on the motion? The Hon. Edwin Reyes.

Hon. E J Reyes: Mr Speaker, may I, because, for the formal record of the House, for my sins as a school teacher one is always cautious on nomenclatures. Elisa Sheriff – Elisa, as she was commonly known – her true registration name is Elisabeth Sheriff. I know she passed away recently. She always kept using her maiden name, which is Sheriff, but that was always preceded by ‘Ms’, rather than ‘Mrs’. I know she still has a sister around. Her daughter unfortunately also died not long ago, but her grandson is still around. So, if the family do come round for the ceremony and so on, we should get it right. I see in other motions that those are normally referred to – like the Father of the House is ‘Joe’ and in official certificates is Joseph – in the way they were registered to the Registry. Just to get Elisa’s name properly, we call her affectionately Elisa, but if we produce a certificate we should call her Elisabeth. Yes, sorry.

Hon. Chief Minister: I am grateful to the hon. Gentleman for giving way, although I have the ability to reply, but the Government would support either the Government itself putting in ‘Elisabeth’ or, if the hon. Member wants to move the amendment – or, if Mr Speaker on this occasion agrees that we do not need to formally move a written amendment, we can just record ‘Elisabeth’ instead of ‘Elisa’. I have no difficulty with that whatsoever.

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Mr Speaker: I think we can take it that that is agreed to.
The Hon. Gilbert Licudi.

Minister for Education, Employment, Utilities and the Port (Hon. G H Licudi): Mr Speaker, just one small matter to add in relation to Karel Mark Chichon. The Chief Minister has referred – in fact the motion talks of ‘for services to culture outside Gibraltar’. It is important to recognise that Karel has made an enormous contribution to culture within Gibraltar as well. It is not just outside Gibraltar, but we must recognise the work he has done, as I know the Minister for Culture will also acknowledge.

I remember when my father was the cathedral organist Karel used to go to the cathedral as a young boy and my father would allow him to play the organ and sometimes stand in for him playing the organ in the Cathedral of St Mary the Crowned. He subsequently became very involved in the local music scene, being instrumental – possibly I stand to be corrected – in founding the Gibraltar Philharmonic Society and himself bringing orchestras and singers to Gibraltar, himself conducting some of those orchestras in Gibraltar, starting what has continued to this day, which is a very active Philharmonic Society with many orchestras and singers having been brought to Gibraltar. That was pioneered, in a way, by Karel, so we must not forget the very great work that Karel has done to instil an element of culture from a musical point of view

as far as Gibraltar is concerned, but certainly his work outside Gibraltar really has converted him into one of the big superstars in the music world.

Mr Speaker: Is there any other person who wishes to contribute to the motion? Yes, the Hon. Steven Linares.

Minister for Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, just to acknowledge what Minister Licudi has said, and also that we are still using Karel. Karel is still active within the Philharmonic Society. In fact, most of the orchestras and most of the singers, tenors and sopranos, who come to Gibraltar come through Karel. Karel is the one who advises, who helps actively the Philharmonic Society. Just to add that to what Minister Licudi has said.

Mr Speaker: Does the hon. mover wish to reply?

Hon. Chief Minister: Mr Speaker, I am very grateful for the House's unanimous support for the nominations put forward by the Government as a result of the community's response to the Government's call for nominations in this respect. I thank both the Hon. Gilbert Licudi and Steven Linares for their contributions in respect of Karel Chichon's work inside of Gibraltar, I am grateful to Mr Reyes for the reminder of the full name of Ms Sheriff and I thank both the Leader of the Opposition and Ms Hassan Nahon for their supportive remarks.

Ms Hassan Nahon is absolutely right to have spotted that we wanted to balance this motion to ensure that there was gender neutrality, gender balance, in the nominations, something which has not perhaps been the case in the past. Indeed, the easy answer to that is that men were more active in the past than women in politics. But that is not satisfactory, in the view of the Government, because women were active, just in different ways but no less important ways. So, in this particular period of time the House has already recognised the work done by those women who were in the then self-named Housewives' Association. Now we might not agree that that is a way which today would be appropriate to label a group of women acting in concert to support the political work of the community – indeed it is very unlikely that today you would have just a group of women doing it because of the absolutely overdue integration of the work of men and women in politics, but that work has already been recognised at the time of their anniversary. There was a lot going on and it was not just men who were doing that work; there were women equally involved and it is absolutely right that we should recognise that, and as we move forward in analysing both our history and our contemporary life, we must ensure that we bring that gender neutrality, that gender balance, to everything that we do, wherever it is possible to do so. I know in some instances it may not be possible to do so, but we should certainly strive to achieve that. I think in this particular motion we have been able to do so as we give the highest distinction that this community bestows on its citizens.

Mr Speaker: I now put the question in the terms of the motion moved by the Hon. the Chief Minister. Those in favour? (**Members:** Aye.) Those against? Carried unanimously.

**Awarding of Gibraltar Medallion of Distinction –
Motion carried**

Acting 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 resolves to bestow the Gibraltar Medallion of Distinction upon the various individuals named hereunder for the respective following achievements, namely:

For Services to Education:

Mr Robert Albert Beiso (Posthumous Award)
Mrs Maria Teresa Beiso
Mrs Julie Canepa
Mrs Janet Davidson
Mr Stewart Harrison (Cybersecurity work)
Mr Joseph Cortes
Mrs Jyoti Massetti
Mrs Patricia Duarte
Mr Charles Pizarro

For Services to Promoting Europe and Education:

Mr Albert Danino
Mr Ivan Navas

For Promoting Gibraltar Abroad:

Mr Joseph Carseni (United States of America)
Mr David Liston (United States of America)
Mr Mohamed Lehyan (Morocco)

For Charitable Work:

Ms Emily Adamberry (Clubhouse)
Mrs Marielou Guerrero (Gib Sams)
Mr Kishin Alwani (Alwani Charitable Trust)
The Right Reverend Charles Azzopardi (Several Charitable Projects)
Mrs Rosanna Olivares (Multiple Charitable Projects)
Mrs Mercy Posso (Cancer Charities)
Mrs Myra Zayas (Cancer Charities)
Mrs Annie Green (Childline Gibraltar)
Mrs Daphne Alcantara (Work with Alzheimer and Dementia Patients and Families)
Mr Alfred Medina (Ivanhoe Society and Charitable Causes)
Mr Julio Pons (Multiple Associations and Societies)
Mr Joseph Chiara (St John Ambulance)

For Services to Health:

Mrs Janet Lane
Mrs Susan Vallejo
Mr Anthony Kevan Sercombe
Dr Adolfo Donald Bacarese-Hamilton

For Services to our Environment and Quality of Life:

Dr Keith Bensusan (GONHS)
Mrs Janet Howitt (ESG)

For Services to Culture:

Mr Jordan Bautista (Polish National Ballet)
Mr Joseph (Pepe) Roman (Author of the lyrics of 'Llevame donde naci')
Mr Freddie Ryman (Postage Stamp Designer) (Posthumous Award)
Mr John Grech (Catering Services to the City Hall)

Mr Nathan Payas (Opera and charitable endeavours)

The Gibraltar Re-enactment Society

Mr Tito Vallejo (Promoting the History of Gibraltar)

Mr John Bugeja (Photography)

Mrs Lati Edmonds (Former Commissioner of Girlguiding Gibraltar)

Mrs Valerie Feetham-Makey (Former Commissioner of Girlguiding Gibraltar)

Mr Alfred Reoch (Scouts)

For Services to Tourism:

Mr William Piccone (Bristol Hotel)

Mr Stephen Vella (Kestrel Aviation Management)

For Public Service:

Mr Joseph Caruana (Public Service and Drugs Rehabilitation)

Mr Jack Noble (Chairman Royal Engineers Association Gibraltar Branch)

Ms Hazel Cumbo (CEO Courts Service, presided over the changeover in the Courts)

Mr Hector Cohen (TGWU/ AACR/ Lions/ Diabetic Association/ Cavalcade Committee)

Mr Dennis Reyes (Posthumous Award – former Clerk of the House of Assembly)

Mrs Aida Goldwin (To the Holy Trinity Diocese of Gibraltar in Europe/Local Community)

Mr Gilbert Joseph Podesta (Heritage)

Mr Paul Baglietto (Royal Gibraltar Regiment)

Professor Clive Finlayson (Work on Gorham's Cave)

Professor Geraldine Finlayson (Work on Gorham's Cave)

Mr Mario Hook (The Office of the Ombudsman)

Mr Michael Gil (Former Chief Technical Officer and Public Services Commission Chair)

Mr Hector Montado (Chief Technical Officer)

Mr John Collado (Former Managing Director Land Property Services Ltd)

Mr Peter Montegriffo QC (Politics, Law, Financial Services, Gaming, University of Gibraltar and Gibraltar International Bank)

Mr Jose Julio Pisharello (Financial Services, Gaming, University of Gibraltar and Gibraltar International Bank)

Mr Peter Isola (Law, Financial Services, Gaming, University of Gibraltar and Gibraltar International Bank)

Mr Albert Langston (Gibraltar International Bank)

Mr Victor Ochello (Trade Union Movement)

The Hon Haresh Budhrani QC (Speaker and President of the Hindu Community)

Mr Ali Douissi (Moroccan Community Association)

Mr Clive Golt (Broadcast Services, Journalism and International Relations)

Mr James Dalmedo (Services to successive Chief Ministers)

Mrs Christine Clifton-Psaila (Broadcast Journalism)

Mrs Susan Clifton-Tucker (Broadcasting)

Mr Manuel Ruiz (Senior Citizens)

Mr Terence Lopez (Aviation Industry)

Mr Joseph Acris (Aviation Industry)

Ms Alice Mascarenhas (Broadcast and Written Journalism)

Mr Francis Sheriff (Government and Other Work)

For Services to Sport:

Mr Anthony Joaquin (Martial Arts)

Mr Peter Conroy (Martial Arts)

Mr Frank Carreras (Athletics)

Ms Linda Alvarez (Island Games)

Mr Lee Henry Casciaro (Football).

Hon. Chief Minister: Mr Speaker, these names will be bestowed, with the agreement of the House if it is secured, with the Gibraltar Medallion of Distinction.

I will be moving an amendment in respect of the first part of the motion to include Mr Kenneth Saez also in the list of those providing services to education. The House should note that apart from Stewart Harrison, who is recognised for the work he does in respect to cyber security, all the others are recognised for their work as head teachers. Mr Kenneth Saez has just retired as a head teacher, so I think that puts us in the position we said the last time we presented this motion, that we wanted to recognise the heads of Gibraltar's schools. Mr Kenneth Saez, I think, is the last one to have retired and that will therefore bring us up to date with retired head teachers. I will give written notice of the inclusion of the name, if necessary.

Mr Speaker: Best to do it now.

Hon. Chief Minister: I am grateful, Mr Speaker. I formally move that Mr Kenneth Saez be included in the section 'For services to Education' as a retired head teacher who had not been included in this because he has just ...

Mr Speaker: Those in favour? **(Members: Aye.)** Those against? The amendment is carried.

Hon. Chief Minister: I am very grateful, Mr Speaker.

This is a list of names of people who have done things which are specific to an area, and that is why the Medallion of Distinction has been proposed by those who have nominated to the Government the inclusion of these individuals on this list. It would be impossible for me to pick out any one of them and explain to the House why it is that we feel they should be bestowed the Medallion of Distinction, but I think indeed the House is aware of the work that has been done by these individuals, how that has had a repercussion in the life of this community and that it has been positive, even in some instances where we on this side of the House might not necessarily have agreed with some of the things that might have been done or said by individuals. The name of the founder of the GSD is on this list, but that contribution to public life and indeed to the law and indeed the support that has been given to the Government when we have called upon this particular individual in the establishment of the University and the establishment of the International Bank is second to none and worthy of recognition. And so are all the others, Mr Speaker.

Unfortunately, as this community catches up with itself in a process that was commenced by hon. Members when they were on this side and they proposed the creation of these distinctions and recognitions, we are catching up with some who are no longer with us. And so Freddie Ryman, who designed so much of the artwork that Gibraltar has sent around the world on our stamps etc., is no longer with us. It is a posthumous award, unfortunately. His art has been recognised and highly valued internationally and it is right that we should be catching up with those who were not able to receive those distinctions before they existed and we relied only on the United Kingdom system of state honours. That explains why these lists are also lengthy, because there is that process of catching up. We are recognising head teachers who retired some time ago as we try and ensure that we cover all those who provided that service. We are recognising those who have undertaken charitable endeavours in a way that in some instances has already been recognised by state honours in the UK but in some instances has not, but it is right that they should be recognised by this House also.

This community needs to catch up with itself. It needs to think back to those who provided service, and I once again call on people to continue the work that the community at large has done in proposing to the Government these names, so that those who have these recognitions definitely deserve it but not all those who deserve it have it. The Government does not pretend to know everyone who deserves the recognition and so we must receive from the community as

a whole the nominations for recognition by those who are doing the fantastic work that is going on in the background in our community. Sometimes, pausing to recognise the work that is done is as much a part of building a nation as the work that these individuals have done is a part of building the Gibraltarian nation that we enjoy today.

305 Mr Speaker, there is a name on this list that may not be recognised by many and it is the name Stephen Vella of Kestrel Aviation Ltd. Stephen Vella may be known to some who were at school with him, but it recently came to the Government's attention that he is the foremost designer of private aircraft in the world. Private Airbus A380s, private 747s and 757s, the kitting out of these things in California is done by a company called Kestrel Aviation. The owner of
310 Kestrel Aviation is a Gibraltarian who moved to the United States after his degree in engineering was funded by Gibraltar in the 1970s and 1980s. He is a very proud Gibraltarian and Gibraltar is very proud of him. When international superstars and royalty sit in their private jets, that sumptuous environment has been created by a Gibraltarian, so not only are we known as a hospitable people, we know how to create hospitable environments even in the sky!

315 Mr Speaker, I thought I should just highlight that name, which may not be known to many.

Mr William Piccone is a posthumous award to somebody who contributed greatly to the Gibraltar tourist sector and passed away some years ago in a tragic accident on a racetrack.

Others of the names I do not think need any particular introduction by the Government, although I will say that after a very successful Island Games I think we are all very happy to
320 recognise the leadership of the Island Games in Miss Linda Alvarez, something that led in great measure to the success of the Games.

Mr Speaker, it is often the case that the Government and GOHNS and the Government and the ESG agree. Indeed, in most instances the Government and the ESG agree on many things – in the Development and Planning Commission, in the planning of things before they get to the Development and Planning Commission etc. There are some instances where the Government and GOHNS and the Government or the ESG may disagree, but that is not a good reason not to recognise the excellent work that is done by GOHNS and by the ESG as a whole. They are led now by Keith Bensusan and Janet Howitt respectively and it is right that we should recognise that excellent work that is done by those two particular NGOs by holding out their leadership for
330 distinction. Having spoken to Mrs Janet Howitt, and I know my colleague spoke to Keith Bensusan, they wanted to ensure that that recognition is extended to the whole of their organisations. Given that we have got one of the former leaders of GOHNS here as the Minister for the Environment, I am sure the whole House will want to agree that the recognition of the work that is done by those two organisations is in effect what is being recognised by this House.

335 Mr Speaker, those who have contributed to the life of young Gibraltarians in guiding and in scouting are recognised also as the community again catches up with those who have not yet been recognised. I am sure there will be more names brought to the Government's attention in respect of guiding and scouting – there are two names here.

Finally, Mr Speaker, before I sit down I would highlight only one other name, the man who I
340 had the honour to drive home two weeks ago: James Dalmedo, who has been chauffeur to all Chief Ministers of Gibraltar, is also recognised for having put up with all of us, with all of our foibles, with all of our late nights and for having gone above and beyond the call of duty in the discharge of his functions as chauffeur to Chief Ministers and, at least in my case, also being able to bring a smile to my lips whenever I got in the car having left this place with a frown.

345 Mr Speaker, I commend the motion to the House. (*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.

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Hon. E J Phillips: Mr Speaker, we will echo the sentiments expressed by the Chief Minister in relation to this very long list of deserving candidates for the Gibraltar Medallion of Distinction. I

do know that others on this side of the House would wish to make some observations on the individuals listed in this and I will sit down and let them do their bit.

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Mr Speaker: The Hon. Marlene Hassan Nahon.

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Hon. Ms M D Hassan Nahon: Mr Speaker, once again I thank Government for bringing to Parliament the recognition of these worthy recipients. I think it is a good thing for this House to bring forward this recognition and acknowledgement of people's service to our community. It is a great thing for the betterment of our society. This is our heritage and therefore it is our duty to immortalise these contributors.

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Some in this list I know more, some I know less, and I want to take this opportunity to thank those I have worked with and who have inspired me, touched me and led me to take on the many things that they stand for and the causes that they have been fighting for.

It would be wrong to single out anyone from this long list, but I do echo the Chief Minister's words on James Dalmedo, Jimmy, who I have to say I grew up around, this very hardworking man who has carried out his duties diligently over decades to all – bar one, I believe – Chief Ministers in our history and who definitely deserves this accolade.

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So I take this opportunity to pay my congratulations to all the recipients.
Thank you, Mr Speaker.

Mr Speaker: Does any other hon. Member wish to speak on the motion? The Hon. Daniel Feetham.

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

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I echo the sentiments of everybody who has spoken in relation to this motion. It is, of course, difficult to single any particular person out because everybody listed in this motion is meritorious, but of course as the hon. Lady has said, there are individuals here who have either touched us in one way or another or perhaps ... Certainly I feel that I should just say a few words in relation to some of them.

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Before I start, I want to declare an interest, and that is that one of the recipients is my sister, Mrs Valerie Feetham-Makey. I feel tremendously proud and I want to echo that sense of pride that my entire family feels at the bestowing of the Medallion of Distinction on my sister Valerie. Congratulations to her, to her husband Mark and to her children.

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I think that to start off with I would like to congratulate the Government for awarding this to Dr Keith Bensusan of GOHNS and Mrs Janet Howitt. I think the environment is the single most important issue affecting humanity today. I have said it in during the course of motions that the Government and indeed we have brought to this House and I think it is particularly important that people who are at the forefront of protection of the environment are recognised by us in this community.

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I also want to congratulate Tere Beiso, who was the headmistress at St Paul's. Her husband, who is also recognised posthumously, Robert Beiso, was the headmaster at St Joseph's and I want to extend my congratulations to both Tere and also their children, Francesca and Bianca. I know that Robert, who was my father's cousin – that is why I focus on him; I knew him very well – would be extremely proud at the bestowing of this honour certainly on his wife and of course himself.

Johnny Bugeja and Alice Mascarenhas, both of the *Chronicle* – Alice also GBC Radio – are national treasures and I congratulate them both.

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Also I would like to mention, because he was Speaker for two terms, Haresh Budhrani. I think not only is it deserved but I think that it perhaps ought to have been done ... I make no criticism of anybody in relation to that statement, but perhaps it ought to have been done at an earlier juncture – for somebody who has been Speaker for two terms to have been recognised in this way by this Parliament.

I also want to mention Mrs Hazel Cumbo. Mrs Hazel Cumbo was HEO in my Department, my HEO when I was the Minister for Justice, and she left there to take on the position of CEO of the Gibraltar Court Service. I know her well. She was extremely hardworking when she worked for me in my Ministry, very helpful, and if we succeeded during my time as Minister for Justice in getting legislation and dealing with the things that we did during that time it was in large part due to the hard work of Hazel Cumbo and I congratulate her too.

Mr Speaker, also Christine Clifton-Psaila and Susan Clifton-Tucker, both who were members of GBC certainly in the time I was a Member of this House and during my political career, and I know that there are other Members who have been interviewed by Christine Clifton-Psaila who know that she was a tremendously tough but I believe fair and honest interviewer and it was always a pleasure to be interviewed by her.

Finally, Mr Speaker, two names. Victor Ochello is somebody I worked very closely with when I was a Government Minister. We worked very well together – less well together, it has to be said, when we lost the election and I was in opposition, but those are things that happen. Trade unionists have got to work with the government of the day. We have had our good times and our bad times, our disagreements and agreements, but I congratulate him. It is extremely well deserved for his many years in service to the trade union movement.

And finally, Mr Speaker, to my great friend Clive Golt, who was one of the best interviewers, one of the best holders of debates here in Gibraltar when he was at GBC. A fantastic journalist, editor of *The New People* for many years. Indeed, to end my contribution in relation to Clive I want to apologise to him publicly for all those difficult moments that I made him go through when I was leader of the Labour Party and I used to contribute to *The New People* – to the not so much delight of Members opposite, in particular the Father of the House. I remember one particular time when I think between myself and others within the Labour Party we had contributed about half of *The New People*; the other half was pro GSLP. One half pro Labour, the other half pro GSLP. He was hauled before the GSLP executive. He came back to me, we had a drink, drowning our sorrows – well, he was drowning his sorrows – and he said to me, '*Hasta Violeta Monteverde me ha dado la gran paliza esta noche*'.

Mr Speaker, on that note, I congratulate everybody for the very deserved awards that the Government has handed down.

Mr Speaker: Does any other hon. Member wish to speak on the motion? The Hon. John Cortes.

Minister for the Environment, Sustainability and Climate Change (Hon. Dr J E Cortes): Mr Speaker, I hesitated, but have to take a cue after the Hon. Daniel Feetham for something which will be very obvious to all of you.

As the, I think, third oldest Member of the House and having had a number of different careers, it will not surprise Members that I have encountered – as they say, '*por encima*' I have personally had contact at different times of my life and my career with at least 77 of the people here listed. So I am not going to talk about all of them, but just to reiterate my good wishes and my delight at people in Health, where I have worked; in the judiciary, where for some years, you may recall, Mr Speaker, I was President of the Magistrates Association; with youth workers in the Scouts, charities, culture, media and in the public service.

I will not go through all of them but I will mention those perhaps who are in the areas of my current political responsibilities. Clearly the Hon. the Chief Minister has already sung the praises of Keith Bensusan and Janet Howitt, with whom I myself have also had differences but who work so hard. We work together for the benefit of the environment and, as the Hon. Mr Feetham has said, it is such an important – I think the most important – aspect of our lives at the moment and for many years. The hard work that members of NGOs do behind the scenes is difficult to understand unless you have been there, as I have been. The delicate balance between campaigning but also wanting Gibraltar to progress and balancing one thing with the other is not

easy to do and I think these organisations, as indeed others, do them extremely well and we need to be proud of them in Gibraltar.

Clearly in Education, what can I say about the work of teachers, and the work of head teachers who are running organisations which are actually bigger than a lot of other organisations? People do not realise the complexity of the work of the head teachers. I have, of course, to mention two in particular. I take the cue out of the Hon. Mr Feetham, who mentioned his sister Valerie for her excellent work in the Guides. I of course have to mention and congratulate my brother Joe for all his work through many years as a head teacher and also as President of the Gibraltar Teachers Association. I am very pleased for him, of course, and for the family.

But I have to mention one other person who was a mentor and who was almost a guardian for me in my first incarnation in the Health Service back in the 1980s and 1990s. That is Don Bacarese-Hamilton. His contribution to health in Gibraltar was extraordinary and he is rightfully awarded this because he may have been forgotten by many but those of us who worked in Health in decades past owe him a great debt of gratitude, as we have the Health Service that we have today largely due to the work that Don did during his time as Director of Medical and Health Services.

I think that is all I have to say. I could mention a lot of others but I just wanted to highlight those, Mr Speaker.

Mr Speaker: The Hon. Gilbert Licudi.

Minister for Education, Employment, Utilities and the Port (Hon. G H Licudi): Mr Speaker, just one small addition to what the Chief Minister has already said. He mentioned Mr Albert Langston in the context of the work that he does for the Gibraltar International Bank and I would just like to add that Mr Langston is also the current Chairman of the Board of Governors of the University of Gibraltar, a position which he discharges entirely on a voluntary basis, which I appointed recently. He is doing a magnificent job for the University itself and I thought it was right that we should also recognise Mr Langston for his work for the University as well as for the Gibraltar International Bank.

Mr Speaker: The Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, I would obviously like to echo the words of my hon. colleagues and the hon. Lady.

It has just been brought to my attention, Mr Speaker, and it may be just a question of checking, that Mr William Piccone was described as having passed away. I am told that he is alive and kicking. Can we just correct the record for that, sir?

Mr Speaker: The Hon. Edwin Reyes.

Hon. E J Reyes: Shall I, Mr Speaker, go completely [inaudible] in the list for charitable work I think very fittingly we are about to approve the bestowing of the award to Monsignor Charles Azzopardi. I will give you a bit of what to some could be useless information but for others might be interesting when it comes to quiz times or whatever. Within the hierarchy of the ordained orders of the Catholic Church, the title of Monsignor is given at two levels. One of them is those that are named honorary chaplains to His Holiness the Pope, and those carry the nomenclature of 'The Very Reverend', but there is a slightly higher tier, or a more prestigious one, which is those that become Prelates of Honour to His Holiness the Pope and those carrying the nomenclature of 'The Right Reverend', and Charles Azzopardi fittingly comes under the category of 'The Right Reverend'. It could be something useful, especially to future students who carry out research works on prominent Gibraltarians; they might be interested to know that. So I

would like to see Father Charles, as he is affectionately known to many of us, having the correct title of 'Right Reverend'.

The other one I ask the Chief Minister if perhaps he can check later in his office: we rightly nominate the Hon. Joseph Caruana because he has been a past Member of this House, especially when we were known as the House of Assembly. There is also Peter Montegriffo and I do not know whether he should carry the same title as Joseph Caruana, with the 'Hon.' in front of his name, because they were elected Members. And I do not know if that rule would then equally apply to Haresh Budhrani, who although not elected at a general election was unanimously appointed by this House on two occasions, like my colleague Daniel Feetham has just said. The correct wording might be 'The Hon.' It does not have to be sorted out now – I think if this House just approves that.

And I am not 100% certain, Mr Speaker, but I think that Dr Geraldine Finlayson did receive an associate professorship recently, so she might be entitled to be known as Prof. Geraldine Finlayson rather than just simply 'Dr', like we refer to Dr Garcia and so on. It is just that if we mention it now then it allows the officials to get things right eventually.

Mr Speaker: If there are no other speakers, I will call on the mover to reply. The Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I am grateful for the unanimity that has broken out across the House in supporting these bestowments of the Gibraltar Medallion of Distinction by nomination of the community.

I confirm that I too have been told that I have confused my Piccones, and so the name on the motion stands. The description should not be relied upon.

The Hon. Mr Feetham has done the process of going into the list, which I wanted to avoid but I think it is worth doing and it is important that I should deal with the parts that he has dealt with and also with some parts which have my particular personal affection.

Mrs Julie Canepa – your wife, Mr Speaker; you do not have to declare an interest –

Mr Speaker: I don't have a vote! *(Laughter)*

Hon. Chief Minister: You don't have a vote – and you had better know how you would have cast it, otherwise you will be in trouble with Mrs Canepa, as I first came to know her as one of the teachers at St Bernard's with Mrs Davidson, who was then the headmistress.

Joe Cortes, John's brother, has been my election agent – so you have him to blame for me being here, so I did not know whether he should enjoy all your support – and is a strong support at difficult political times.

Albert Danino, as I have said on a number of occasions, is the person who induced me to charge for my skills in argument and then to continue to go down that road and into politics. And Mr Ivan Navas taught me the little French that I have. The reason for saying that, as the hon. Member has led us to, is to say that these are names that have touched many of us in different ways, and so there are names on this list that might have been our teachers, that might have been scout leaders, that in the case of the hon. Lady, as for my children also, were the friendly face of the guy who drives dad to work – or in my case drives him back from work because I do try, in order to keep the hon. Member, the ESG, GOHNS and my dieticians happy, to walk to work. That is what a nation and a community is about and these are the webs that touch us all in different ways and in different measures. As the hon. Lady has said, this is also the heritage of our community, in the cases where it is not posthumous, alive and around us and worthy of recognition.

Mr Speaker, I, like the Hon. Mr Feetham, am very happy that Christine Clifton-Psaila has retired. I remember her with affection and I am delighted that she is not going to be there at 1.30 to ask me the difficult questions, although I will always be pleased that she asked the hon.

Gentleman at the time what he would do about the blocks when he then told us that he would be happy to remove the blocks with spikes from BGTW (**Several Members:** Hear, hear.) if that helped to sow peace with Spain, (*Interjection*) or words to that effect. That is how much of a good interviewer she was and that is why I think we are both pleased that we can honour her in her retirement.

And Clive Golt, who I think enjoys the affection of just about every Member of this House, the Father of the House and me in particular. The Deputy Chief Minister and I met as a result of a Clive Golt programme, so he is responsible for a lot! I think people will recognise that in the annals of Gibraltar's broadcast history the leading Gibraltarian interviewer of politicians and organiser of political debates, and not just of Gibraltarian politicians but also the man who was ready to run across the Frontier and put his camera in front of Fernando Moran etc. in the broadcast sphere was Clive Golt.

I thought the hon. Gentleman was going to do something which is long overdue, which was to apologise on behalf of the party that he once led for the way that Clive Golt was treated by them as a party. Instead, he has done something (*Interjection*) for which he was responsible. He has talked about the period of the Labour Party for which he was responsible rather than the period before that, which the GSD was responsible for. But I certainly will say to Clive Golt from this place that the way that he was treated after 1996 was not befitting a mature democracy and it would not have happened in another democracy. He and I know what Clive went through. He was not responsible for the things that I am complaining about, but he and I know what Clive went through and Joe knows what Clive went through and it was a particularly difficult time unbefitting the contribution that this man has made for Gibraltar.

But it is also true that we have also laughed a lot with Clive Golt. We have enjoyed working together and then working against each other in the context of the publication that the hon. Gentleman referred to. I remember fantastic satirical works which went into that particular publication – 'Planet of the Tapes' always sticks in my head, Mr Speaker – and it is right that we should be recognising that.

Mr Speaker, I think that the hon. Gentleman Mr Reyes is right to point us in the direction of fixing the nomenclature that we are using, and so I would invite that the House should allow us to amend by way of typographical slip the references to the 'Right Reverend' before Charles Azzopardi, the inclusion of the professorship of Mrs Finlayson, if that is appropriate – and that can be checked – and the use of the term 'Hon.' in the context of all individuals who have been Members of this House; the hon. Gentleman referred to Mr Montegriffo and Mr Budhrani – if that is appropriate, and in keeping with the Rules of the House. I do recall that when hon. Members were the Government they changed the rule as to how that nomenclature is used after one has left the House. It is the case, or it was the case and they change it – I cannot remember which – that you had to write in and say 'Although I am retired, may I please continue to use the term "Hon."?' I cannot remember whether they changed it so that you automatically used it if you had been here eight years or something like that, and I do not know which of those would apply to these individuals because in some instances, as the hon. Gentleman knows, you have to count months because elections are called before the four years are up etc. – which is not likely to be the case during the course of the lifetime of this Parliament, I might say to all those who seem to have gone election crazy in the past 48 hours. All I said was that a dissolution was coming shortly, and the hon. Gentleman knows what the word 'shortly' means in the context of this Government! (*Laughter and interjection*) Yes! So, in terms of 'Hon.' etc., I leave that, if I can, to the Clerk to check what the proper nomenclature is and to apply the slip rule to it, if that is appropriate.

Mr Speaker, I am very happy that these names are moving unanimously to be bestowed, on behalf of the whole House, the Gibraltar Medallions of Distinction. They are richly deserved.

Mr Speaker: I now put the question in the terms of the motion moved by the Hon. the Chief Minister. Those in favour? (**Members:** Aye.) Those against? Carried unanimously.

Standing Order 19 suspended to proceed with Government Motion

Acting Clerk: The Hon. the Minister for Tourism, Employment, Commercial Aviation and the Port.

615

Minister for Tourism, Employment, Commercial Aviation and the Port (Hon. G H Licudi): Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

I hereby give notice under Standing Order 59 to proceed with the suspension of Standing Order 19 in order to proceed with a Government Motion.

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

GOVERNMENT MOTION

**Social Security (Open Long-Term Benefits Scheme) Act 1997 –
Social Security (Open Long-Term Benefits Scheme) (Amendment of Benefits) Order 2019 –
Motion carried**

Acting Clerk: 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, I have the honour to move the motion standing in my name, which reads as follows:

That this House approve by Resolution, pursuant to Section 46 of the Social Security (Open Long-Term Benefits Scheme) Act 1997, the making of the Social Security (Open Long-Term Benefits Scheme) (Amendment of Benefits) Order 2019.

625 This Order seeks to amend the Social Security Act, which I have mentioned, by increasing the rates of old age pensions and survivor's benefit by 2.1% with effect from 1st August 2019, which represents the annual increase for that year. It is in line with one of the Budget measures made this year during the Chief Minister's address and it is required by the Act to be increased by Order but, prior to that Order being published, for there to be a motion approving the making of that Order, and that is what this motion does.

630

Mr Speaker, I commend the motion to the House.

Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. Minister for Tourism, Employment, Commercial Aviation and the Port.

635

The Hon. Roy Clinton.

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

On this side of the House obviously there is no issue of our support for the motion. I would just ask the Minister to clarify: he said 2.1% – it is just that when you do the calculation, £231.95, I do not quite get the same number. Is there a rounding that I am not aware of or does not appear here?

640

Mr Speaker: Does anybody else wish to contribute to the motion?
I ask the mover to reply.

645

Hon. G H Licudi: Mr Speaker, the hon. Member is right. Applying 2.1% to that figure gives £236.82, but my understanding is that it is rounded up to the nearest five pence.

650 **Mr Speaker:** I now put the question in the terms of the motion moved by the Hon. the Minister for Tourism, Employment, Commercial Aviation and the Port. Those in favour? (**Members:** Aye) Those against? Carried.

BILLS

FIRST AND SECOND READING

Transfrontier Television (Council of Europe) Bill 2019 – First Reading approved

Acting Clerk: Bills – First and Second Reading.

655 A Bill for an Act to give effect in Gibraltar to the Council of Europe European Convention on Transfrontier Television made in Strasbourg on 5th May 1989 and its amending Protocol adopted on the 9th September 1998 in Strasbourg for the purposes of facilitating the transfrontier transmission and retransmission of television programme services.

The Hon. the Deputy Chief Minister.

660 **Deputy Chief Minister (Hon. Dr J J Garcia):** I have the honour to move that a Bill for an Act to give effect in Gibraltar to the Council of Europe European Convention on Transfrontier Television made in Strasbourg on 5th May 1989 and its amending Protocol adopted on the 9th September 1998 in Strasbourg for the purposes of facilitating the transfrontier transmission and retransmission of television programme services be read a first time.

665 **Mr Speaker:** I now put the question, which is that a Bill for an Act to give effect in Gibraltar to the Council of Europe European Convention on Transfrontier Television made in Strasbourg on 5th May 1989 and its amending Protocol adopted on the 9th September 1998 in Strasbourg for the purposes of facilitating the transfrontier transmission and retransmission of television programme services be read a first time.

670 Those in favour?

675 **Hon. E J Phillips:** Just before we vote on this issue, have you, Mr Speaker, received a certification from the Chief Minister in relation to urgency? I believe it should be taken on 14th September.

Chief Minister (Hon. F R Picardo): There should have been a certification, Mr Speaker. I do not know whether it is in the lobby – I am happy to check.

680 **Mr Speaker:** You do not have a copy at all?

Hon. E J Phillips: I have not seen it.

Mr Speaker: You have not seen it? (*Interjection*)

685 **Hon. Chief Minister:** The hon. Gentleman, Mr Speaker, is asking whether I have signed the certification of urgency. I am sure I have. If I have not, I am happy to sign it.

Mr Speaker: Yes, I received it on Friday morning.

**Transfrontier Television (Council of Europe) Bill 2019 –
Second Reading approved**

690 **Deputy Chief Minister (Hon. Dr J J Garcia):** I have the honour to move that the Bill now be read a second time.

Mr Speaker, this Bill has come about in the context of our planned departure from the European Union in October. It has been certified as urgent and it is as part of the Government's Brexit contingency planning.

695 The Bill is framed to enable the extension to Gibraltar of the Council of Europe Convention on Transfrontier Television made in Strasbourg on 5th May 1989 and its amending protocol. This Convention has been identified by the United Kingdom as necessary for us and for them to mitigate the effects of a no-deal Brexit in this area.

Mr Speaker, the international legal framework that the EU provides across certain areas will be replaced, where possible, by that provided through international conventions. The Convention of Transfrontier Television therefore provides a legal framework for the free circulation of transfrontier television programmes throughout Europe. It does so through minimum common rules in fields such as programming, advertising, sponsorship and the protection of certain individual rights.

705 Gibraltar, as a transmitting party, would have the task of ensuring that television programme services transmitted are compliant with the requirements as set out in the Bill and in turn with the provisions under the Convention and its amending Protocol. In return, freedom of reception of programme services is guaranteed as well as a retransmission of programme services that comply with the minimum rules of the Convention.

710 The Government Law Officers have been working closely with the Gibraltar Regulatory Authority and the UK Department for Media and Culture in this matter. The expert advice to the Government is that Gibraltar needed to pass this legislation before exit day if the United Kingdom's ratification of the Convention and the Protocol is to be extended to Gibraltar by 31st October.

715 Mr Speaker, the Bill comprises nine Parts. Part 1 contains the application of the Bill.

Part 2 establishes a competent authority for the purposes of the Act. The Gibraltar Regulatory Authority will be the competent authority in Gibraltar and their powers, duties and functions are set out in this Part. This includes the power of the GRA to request information for the purposes of performing the functions assigned to them under the Act, penalty provisions for any person who makes false or misleading statements, and general restrictions on disclosure of information. It empowers the GRA to issue directions and notices.

Part 3 contains the jurisdictional provisions. It sets out, amongst other measures, the criteria for broadcasters who are under Gibraltar's jurisdiction and also those who are deemed to be under the jurisdiction of Gibraltar as the transmitting state.

725 Part 4 deals with broadcasting standards. Clause 14 ensures that, in relation to all programme services, no broadcaster under Gibraltar's jurisdiction shall prejudice the dignity of human beings or the fundamental rights of persons as guaranteed by our Constitution. It is also a requirement that news is broadcasted fairly, presents facts and events and encourages the free formation of opinions. This clause sets out that broadcasters should be compliant with certain provisions of the Broadcasting Act 2012. This includes those provisions that prohibit broadcasts and programmes that would incite hatred and seriously impair the physical, mental or moral development of minors.

Clause 15 sets out the duty of the Gibraltar Regulatory Authority to provide upon request and where appropriate information on broadcasters.

735 Clauses 16 to 20 deal with a broadcaster's requirements in relation to advertising and teleshopping. This includes their requirements as to the duration, permitted interruptions during programmes, the form and presentation of advertising and teleshopping and the advertising of particular products.

Clause 21 deals with the rules of advertising and teleshopping that are specifically and with some frequency directed to audiences in a single state party other than Gibraltar.

Clause 22 provides that certain provisions in the Broadcasting Act 2012 that deal with sponsored television programmes also apply for the purposes of the Convention.

Clause 23 deals with the rules in relation to programme services devoted to self-promotion and teleshopping.

Clause 24 sets out how broadcasters should distribute European works.

Part 5 sets out the provisions relating to exclusive rights to major events and short news reports. Clause 25 applies certain provisions of the Broadcasting Act 2012 to this Act. This deals with exclusive rights to major events. There is a requirement that the Minister with responsibility for broadcasting draw up a list of designated events that he considers to be of major importance. The Minister is empowered to prescribe how the events of that list shall be made available to broadcasters. This clause also sets out the duties and the manner in which the Minister with responsibility for broadcasting should comply with the guidelines of the standing committee established under Article 20 of the Convention.

Clause 26 deals with short news reports and establishes that a broadcaster and a state party to this Convention shall have access on a fair and non-discriminatory basis to short news reports or events of high interest to the public which are transmitted on an exclusive basis by a broadcaster under the jurisdiction of Gibraltar. This clause also empowers the Gibraltar Regulatory Authority to issue guidelines relating to access conditions.

Part 6 deals with the right of reply. Clause 27 provides that the provisions under section 39 of the Broadcasting Act 2012 on the right of reply shall also apply to broadcasters under this Act. This House should note that the obligations of broadcasters under Gibraltar jurisdiction under the Convention are parallel to those under the existing Audio-Visual Media Services Directive.

Part 7 deals with the regulation of broadcasts in Gibraltar and guarantees a person's right of freedom of expression and information, also guaranteed under our Constitution.

Part 8 deals with the exchange of information and assistance provisions under the Convention and with media pluralism. State parties under the Convention may make a request to the Gibraltar Regulatory Authority to provide information about broadcasters in Gibraltar, as set out in clause 9(1) of this Act. If this information is available, the Gibraltar Regulatory Authority has a duty to provide it.

This Part also deals with other co-operation measures requested by a competent authority of a CTT state to the Gibraltar Regulatory Authority. This includes information on measures taken in the implementation of the Convention or information on any difficulties that may have arisen from the application of the Convention.

Part 9 is the final part within the Act. It contains miscellaneous provisions such as empowering the Gibraltar Regulatory Authority to issue codes of practice. It also sets out the power available to the Minister to make regulations under the Act. This Part covers the relationship between this Act and the Broadcasting Act 2012 and other legislation in Gibraltar and also provides consequential amendments to the Broadcasting Act 2012.

Mr Speaker, in 80 days' time we are leaving the European Union. This is not what Gibraltar voted for in 2016. It is also not the preferred direction of travel of this Government or indeed of this House. Our preferred option is for the United Kingdom and Gibraltar to remain in the European Union. We need to prepare nonetheless. The Bill before the House is part of those preparations. It provides a framework to give effect in Gibraltar to the Council of Europe Convention on Transfrontier Television, and if passed by this House it will come into operation on exit day or on the day the Convention is extended to Gibraltar.

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

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

Hon. E J Phillips: Mr Speaker, we are grateful to the Deputy Chief Minister for his statement on the Bill. We will, of course, support this Bill in its entirety.

Mr Speaker: Does any other hon. Member wish to speak on this Bill? No.

I will now put the question, which is that a Bill for an Act to give effect in Gibraltar to the Council of Europe European Convention on Transfrontier Television made in Strasbourg on 5th May 1989 and its amending Protocol adopted on 9th September 1998 in Strasbourg for the purposes of facilitating the transfrontier transmission and retransmission of television programme services be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Acting Clerk: The Transfrontier Television Council of Europe Act 2019.

**Transfrontier Television (Council of Europe) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

Deputy Chief Minister (Hon. Dr J J Garcia): 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.)

**Environmental Protection (Trees) (Amendment) Bill 2019 –
First Reading approved**

Acting Clerk: A Bill for an Act to amend the Environmental Protection (Trees) Act 2014 making it a requirement to seek the written consent of the Development and Planning Commission before topping a tree that is not subject to a Tree Preservation Order, send a copy of the application for consent to the Minister and to also make it an offence to wilfully damage or destroy a tree that is not subject to such an Order.

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 Environmental Protection (Trees) Act 2014 making it a requirement to seek the written consent of the Development and Planning Commission before topping a tree that is not subject to a Tree Preservation Order, send a copy of the application for consent to the Minister and to also make it an offence to wilfully damage or destroy a tree that is not subject to such an Order be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Environmental Protection (Trees) Act 2014 making it a requirement to seek the written consent of the Development and Planning Commission before topping a tree that is not subject to a Tree Preservation Order, send a copy of the application for consent to the Minister and to also make it an offence to wilfully damage or destroy a tree that is not subject to such an Order be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

830 **Acting Clerk:** The Environmental Protection (Trees) (Amendment) Act 2019.

**Environmental Protection (Trees) (Amendment) Bill 2019 –
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.

835 This is a small amendment but I think an important one, which covers a gap in our tree protection legislation in that certain actions on trees – such as topping, for example, which is cutting of the leading shoot, which can destroy the tree’s ability to recover, depending on the species – did not apply to trees that did not have a specific Tree Preservation Order. It also requires the applicant to submit a copy of the application to the Minister with responsibility for Environment. This is current practice but not required. This will allow the appropriate experts to assess the tree and to authorise the works, if such are necessary.

840 It is a simple one but I think is in keeping with the current mood and move in Gibraltar for the enhancement of trees and green areas and I think will go a long way to ensuring that we keep trees looking the way they should.

Mr Speaker, I commend this Bill to the House.

845 **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. Trevor Hammond.

Hon. T N Hammond: Mr Speaker, the Opposition will most certainly be supporting this Bill. Every measure we take is important with respect to the preservation of trees. All too often we
850 do see trees damaged, all too often we see trees removed; sometimes that is done legally through the appropriate channels. Not everybody always agrees with those removals and I do welcome, and we all welcome, anything that will obviously enhance the protection of trees, particularly those in the urban environment because we have so few of them relatively speaking. But obviously trees in non-urban environments are equally important and all legislation of this
855 nature has to be very welcome.

Mr Speaker: The Hon. Dr John Cortes –

Hon. D A Feetham: Mr Speaker.
860

Mr Speaker: Sorry, my apologies, the Hon. Daniel Feetham.

Hon. D A Feetham: Can I just ask the Hon. Minister by way of clarification and explanation, to answer this. Of course the Opposition is supporting, and anything that we can do in order to
865 protect trees we will, certainly from this side; the Government will find us supportive. But does this cover, for example, somebody who may plant oranges, olive trees, lemon trees, and prunes those orange trees and lemon trees? We would not want those to be ... Also, pruning of certain trees in order to open them up so that you allow more light to go into the tree, all that kind of thing? What we also do not want is a situation where people have to then start writing to the
870 DPC for that type of pruning, which would be, in my respectful view, over the top.

Mr Speaker: The Hon. Dr John Cortes.

Hon. Dr J E Cortes: Mr Speaker, this has been given a lot of thought. This is why it specifically says 'topping' – which is cutting the main branch, which will cripple the tree, so to speak – but it does not prohibit pruning, crown raising and so on, which can be carried out except if there is a specific Tree Preservation Order, in which case it would have to go through the process. I can reassure the hon. Member that that is not a problem.

I would like to add, in summing up, Mr Speaker, that there is a letter to you dated 9th July in which there is an amendment to clause 3(3) which inserts 'by the applicant', and that I will raise again at Committee Stage.

Nothing further to add, but I reassure the hon. Member that that is well covered.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Environmental Protection (Trees) Act 2014 making it a requirement to seek the written consent of the Development and Planning Commission before topping a tree that is not subject to a Tree Preservation Order, send a copy of the application for consent to the Minister and to also make it an offence to wilfully damage or destroy a tree that is not subject to such an Order be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Acting Clerk: The Environmental Protection (Trees) (Amendment) Act 2019.

**Environmental Protection (Trees) (Amendment) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

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.

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

Acting Clerk: Committee Stage and Third Reading.

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, namely the Transfrontier Television Council of Europe Bill 2019 and the Environmental Protection (Trees) (Amendment) Bill 2019.

In Committee of the Whole Parliament

**Transfrontier Television (Council of Europe) Bill 2019 –
Clauses considered and approved**

Acting Clerk: A Bill for an Act to give effect in Gibraltar to the Council of Europe European Convention on Transfrontier Television made in Strasbourg on 5th May 1989 and its amending

Protocol adopted on 9th September 1998 in Strasbourg for the purposes of facilitating the transfrontier transmission and retransmission of television programme services.

Part 1. Clauses 1 to 3.

910

Mr Speaker: Stand part of the Bill.

Acting Clerk: Part 2. Clauses 4 to 12.

915

Mr Speaker: Stand part of the Bill.

Acting Clerk: Part 3. Clause 13.

920

Mr Speaker: Stands part of the Bill.

Acting Clerk: Part 4. Clauses 14 to 24.

Mr Speaker: Stand part of the Bill.

925

Acting Clerk: Part 5. Clauses 25 to 26.

Mr Speaker: Stand part of the Bill.

Acting Clerk: Part 6. Clause 27.

930

Mr Speaker: Stands part of the Bill.

Acting Clerk: Part 7. Clause 28.

935

Mr Speaker: Stands part of the Bill.

Acting Clerk: Part 8. Clauses 29 and 30.

Mr Speaker: Stand part of the Bill.

940

Acting Clerk: Part 9. Clauses 31 to 34

Mr Speaker: Stand part of the Bill.

945

Acting Clerk: The long title.

Mr Speaker: Stands part of the Bill.

**Environmental Protection (Trees) (Amendment) Bill 2019 –
Clauses considered and approved with amendment**

Acting Clerk: A Bill for an Act to amend the Environmental Protection (Trees) Act 2014 making it a requirement to seek the written consent of the Development and Planning Commission before topping a tree that is not subject to a Tree Preservation Order, send a copy of the application for consent to the Minister and to also make it an offence to wilfully damage or destroy a tree that is not subject to such an Order.

950

Clauses 1 and 2.

955 **Mr Speaker:** Stand part of the Bill.

Acting Clerk: Clause 3.

960 **Mr Speaker:** The Hon. Minister mentioned during the Second Reading of the Bill that a very minor amendment has been circulated to clause 3(3). Is the amendment agreed to? (**Members:** Aye.) So, clause 3 as amended stands part of the Bill.

Acting Clerk: The long title.

965 **Mr Speaker:** Stands part of the Bill.

**Environmental Protection (Trees) (Amendment) Bill 2019 –
Transfrontier Television (Council of Europe) Bill 2019 –
Third Reading approved: Bills passed**

970 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the Environmental Protection (Trees) (Amendment) Bill 2019 and the Transfrontier Television (Council of Europe) Bill 2019 have been considered in Committee and agreed to with a minor amendment to one of them, and I now move that they be read a third time and passed.

Mr Speaker: I now put the question, which is that the Environmental Protection (Trees) (Amendment) Bill 2019 and the Transfrontier Television (Council of Europe) Bill 2019 be read a third time and passed. Those in favour? (**Members:** Aye.) Those against? Carried.

FIRST AND SECOND READING

**Income Tax (Amendment) Bill 2018 –
First Reading approved**

975 **Acting Clerk:** A Bill for an Act to amend the Income Tax Act 2010.

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.

ADJOURNMENT

980 **Chief Minister (Hon. F R Picardo):** Mr Speaker, that might be a convenient moment for me to move also that the House should adjourn and to wish all hon. Members an enjoyable what is left of the summer, with the warning that it may be necessary for the House to come back before the adjourn date, which I am going to propose should be Tuesday, 3rd September at 11 a.m.

The warning is this, Mr Speaker: the Standing Orders enable the House to return at short notice if it is necessary, and given the quite varied political picture that we see each morning developing in the United Kingdom it is not impossible that the House may need to come back

985 before 3rd September. The Government will seek not to come back again in August unless it is absolutely necessary, but it may be necessary to come back before 3rd September.

Other than that, I move that the House should now adjourn to Tuesday, 3rd September at 11 a.m.

990 **Mr Speaker:** The House will now adjourn to Tuesday, 3rd September at 11 in the morning, the 80th anniversary of the declaration of the Second World War.

The House adjourned at 12.47 a.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.11 a.m. – 11.32 a.m.

Gibraltar, Tuesday, 3rd September 2019

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The Gibraltar Parliament

The Parliament met at 11.11 a.m.

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

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

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

Clerk: Tuesday, 3rd September, Meeting of Parliament.
Suspension of Standing Orders. The Hon. the Chief Minister.

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

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

Parental leave for parliamentarians – Statement by the Minister for Housing and Equality

Clerk: Government Statement. The Hon. the Minister for Housing and Equality.

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- Minister for Housing and Equality (Hon. Miss S J Sacramento):** Mr Speaker, thank you for the opportunity to make a Statement today about my intention to put to the Select Committee on Parliamentary Reform that it consider the implementation of a written regime governing parental leave and particularly maternity leave for parliamentarians. I am doing so not only as
15 Minister for Equality, but I am sure that it is not lost on anyone that I am the only woman in Government and I am one of only two women MPs who have sat in the lifetime of this Parliament. There have never been more than two women in this House and at times there have been fewer. The gender imbalance of this House is historic and striking, particularly in this day and age. At the last General Election just three of 20 candidates were women. Women make up
20 roughly 50% of the electorate, but under 12% of this Parliament represents them. It is incumbent upon all of us to identify the barriers to women's participation in active politics and to work to mitigate them.

- Each of us in this House is acutely aware of its demands, and this applies to all of us. Ours is a job where we are never off. We are holders of public office and it is our job and privilege to work
25 to represent those who elect us. Under this Government, Parliament now meets more often than at any time in Gibraltar's history. Our monthly meetings require us to be present, discuss and vote on Bills, ask and answer questions and deal with any other business of the House. Exceptions are, of course, made for illness and work-related travel and we are held to account on our attendance both by each other and by the electorate. So imagine the difficulty for
30 women needing an extended amount of time off.

As you are aware, since my announcement in this year's Budget session I am currently undertaking a review of the provisions of maternity leave which already exist, to consider how best to introduce provisions for paternity and parental leave. The law currently allows for 14 weeks' maternity leave. During this period Parliament may meet up to four times. There are currently no provisions catering for women parliamentarians who might want to have a child during the lifetime of a Parliament. Indeed, there are no formal arrangements for men either. The latter, however, does not seem to have been a deterrent.

Those elected to represent voters should have all the structural support in place to enable them to do so. The aim of considering formal arrangements for maternity leave and indeed parental leave for parliamentarians is to remove the barriers to effective representation and to encourage women to run for office in the first place. Structural provisions that remove the barriers for active parliamentary participation by new mothers will set an important example to the wider society which it represents: that being a parent should not be a barrier to workplace equality.

Without a written regime governing maternity leave for parliamentarians, the inequalities in representation will continue to exist. We are currently in the process of considering parliamentary reform and we must take this opportunity to address Parliament's gender imbalance and remove the systemic barriers to the equal representation of half the community which we represent. Gibraltar needs structural provisions for voting and dealing with parliamentary questions which are not at odds with family life. That is why I have today written to the Clerk of the House requesting that the Select Committee on Parliamentary Reform consider such formal arrangements for maternity leave.

This has never been an issue before. We have had very few women in Parliament and none have had children while in Parliament. There is no precedent and no one to look up to, but that is not the test. There will come the time when this will be necessary and at that point we should not have to scramble to make arrangements. Indeed, the objective is knowing that such arrangements would be in place and hopefully this would attract more women and younger women to our House, so it would help diversify in terms of gender and age demographic. We should welcome the removal of barriers that are currently preventing women from considering standing for these seats.

Mr Speaker, thank you very much for the opportunity of making this Statement of my intention to the House. *(Banging on desks)*

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

Hon. E J Phillips: Mr Speaker, we welcome the Statement by the Minister insofar as she wishes to put before the Select Committee on Parliamentary Reform the implementation of paternity and parental leave for parliamentarians. She is absolutely right that this House should reflect generally the community within which we live and it is right, of course, that more women should participate in this House. To do that, of course we should support the proposal put by the Minister that we should remove barriers to entry into this place.

The Minister rightly observed that only three in the last number of elections have been women that have participated in elections. I note the reflection of how the law currently stands. There is, of course, parental leave per se in relation to the employer-employee relationship. We do not, as parliamentarians, enjoy the luxury of being described as employees or employers and therefore it is quite right that this proposition be put before a Select Committee, as it is a complex issue and would need to be determined by the Select Committee insofar as putting it before the House.

One of the issues is that the Select Committee has only met once in relation to parliamentary reform and of course we should improve that so that we can meet more often to discuss those issues. Likewise, I have to rise to the bait, of course, insofar as regular meetings of this House. There has been infrequent Question Time of the Chief Minister and other Ministers on that side

of the House, and that should of course improve. We have been very critical, but I do not want to say much more on that; I am sure there will be some response in relation to that point.

85 But we wholeheartedly welcome the Minister's Statement in improving the quality of our democracy, improving the participation from members of our community and the diversity to which she speaks to. *(Banging on desks)*

Mr Speaker: The Hon. Marlene Hassan Nahon.

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Hon. Ms M D Hassan Nahon: Mr Speaker, for my part I would like to thank my good friend the hon. Lady, the Minister for Equality, for her wise and equality-driven stance on the matter of placing on the agenda for the next parliamentary term, in the Parliamentary Reform Select Committee, the issue of creating a regime and framework vis-à-vis paternity and maternity leave for future parliamentarians.

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It is, of course, crucial and vital to establish protocols in order to protect future parliamentarians and their seats in circumstances whereby they may not be able to be present in the House for maternity or paternity reasons. The famous case relatively recently of Labour MP Tulip Siddiq, who was forced to postpone her C-section to vote against Theresa May's Brexit deal, is just one case in point here which highlights the need to have these frameworks in order. Siddiq famously said how her battle to bring Parliament into the 21st century is far from won, and we ourselves need to deal with this battle of our own, right here, right now, especially if what we want is to make this Parliament truly representative, break the gender imbalance and make it inviting to both men and women in the future.

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I have five women, including myself, on my own slate for the forthcoming election, a couple of whom are still in their childbearing years, and it is duly welcome to hear that pathways in order to reflect their circumstances, as well as those of men who may require paternity time, will be well thought out and prepared for. However, I take this opportunity to urge all parties fighting the next election to include equalising statutory maternity and paternity leave, as we will be doing, if we truly want to call ourselves a progressive egalitarian society. If we do not, these frameworks that the hon. Lady talks of implementing within Parliamentary Committee discussions next term will reek of privilege and double standards, where on one hand we quite rightly protect and modernise leave for our parliamentarians but on the other hand we do not for our society in general.

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

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Mr Speaker: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): I want, as Leader of the House, to welcome the Statement by the hon. Lady.

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I of course have to answer the statement by the hon. Gentleman that they have been very critical of the absence of meetings for questions. Well, they have not been critical, Mr Speaker, for the simple reason that they know that there have not been more meetings for questions because of the extraordinary events being played out outside of Gibraltar, but indeed if they had been critical they would also have been extraordinarily hypocritical because there have been as many meetings for questions this year as there were the last year that they were in government.

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Mr Speaker, the point which I think is an important point is that as we move towards ensuring gender balance we must ensure that we have done everything structurally that we are able to do to deliver gender balance. One of the things that we tried to do when we were first elected was to ensure that hon. Members who needed a timetable of understanding of when things were going to happen, in order to be able to plan matters relating to their parental responsibilities, had that. I think in the last year that has also fallen into disuse as a result of the huge difficulties that we are facing internationally, but anything that we can do to support the

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structure of Parliament in a way that ensures that the gender balance does not arise out of any failure of the structure of this place we will be entirely supportive of doing.

Mr Speaker: The Hon. Samantha Sacramento.

Hon. Miss S J Sacramento: Mr Speaker, I am glad to hear the positive response from the other side. Clearly there is recognition among all of us that this is something that needs to be done and I am sure that it will not be a battle between us to bring this House into the 21st century.

The response from the other side of this House has been extremely positive and there is very little that I need to say in reply, other than reply to the final remark made by the hon. Lady on the other side in relation to her suggestion that there would be double standards if we were to implement this for Parliament and not for the rest of Gibraltar. That is absolutely not the case. Perhaps the hon. Lady has misunderstood the position, but a regime on maternity leave already exists in law. As the hon. Gentleman the Leader of the Opposition explained, the law in relation to us parliamentarians is slightly different but it does not mean that we would find ourselves in a situation that is better than the rest of the community; it is just different because what we are talking about is a regime which will ensure that women will be able to participate fairly in this House.

On that note, in relation to maternity leave being extended to consider paternity leave and parental leave and the hon. Lady's encouragement that this be included in manifestos, I must say that this is something, as you know from my Statement in my Budget address, that the Government has already looked at, is already working on and is already at an advanced stage so that it can become the law.

Thank you, Mr Speaker.

Mr Speaker: Perhaps the Select Committee might also keep in mind the need somehow within the Precincts of Parliament to make arrangements for babies to be nursed.

Order of the Day

Standing Order 7(1) suspended to proceed with Government Bills

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 Government Bills.

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

BILLS

FIRST AND SECOND READING

**Companies (Amendment) Bill 2014 –
First Reading approved**

Clerk: Bills – First and Second Reading.

A Bill for an Act to amend the Companies Act 2014. The Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Companies Act 2014 be read a first time.

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Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Companies Act 2014 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Companies (Amendment) Act 2019.

**Companies (Amendment) Bill 2014 –
Second Reading approved**

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Chief Minister (Hon. F R Picardo): Mr Speaker, the Companies (Amendment) Bill 2019 is a short but important Bill that amends Parts 12, 14, 15 and 16 and Schedule 26 of the Companies Act 2014.

I am dealing with this matter, which is usually something that would be dealt with by the Minister for Financial Services, as Minister Isola is away again in China promoting Gibraltar as a place to do business come Brexit or high water.

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The Bill amends the Act by extending the current provisions relating to the registration as a branch or establishment of a place of business in Gibraltar by overseas companies to other types of overseas entities having a legal personality, that is to say entities other than companies.

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The provisions of the Act regarding the registration of branches and the establishment of a place of business have been part of Gibraltar law since at least the late 1990s and have served Gibraltar well as mechanisms through which overseas companies may establish a presence in Gibraltar without having to set up new entities in Gibraltar. These provisions now need to evolve and be modernised to take account of the increased use in global corporate structure of different types of corporate entities which are not companies but have an independent legal personality, limited partnerships and limited liability partnerships being the most obvious examples.

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Government has received representations from firms that extending the provisions of the Act to these other types of corporate entities would provide flexibility and open up new structuring opportunities. These are considered particularly helpful in the context of Brexit, where firms are restructuring to enable themselves to continue operating in the EU from other jurisdictions but maintaining a real presence in Gibraltar serving non-EU markets from a Gibraltar branch. Hon. Members will therefore understand the importance of this Bill becoming an Act at this crucial time.

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The Bill therefore amends Parts 12, 14, 15 and 16 of the Act by substituting references to 'company' and 'companies' with references to 'bodies corporate' and 'body corporate' respectively. A 'body corporate' will mean any entity having a legal personality.

205 Mr Speaker, it is considered that these new terms will be wide enough to allow any type of corporate entity, including companies, to avail itself of the provisions of the Act regarding registration as a branch or the establishment of a place of business in Gibraltar.

Consequential amendments are made by the Bill relating to the particulars to be filed at Companies House, particularly by extending the references to directors, to officers of the body
210 corporate equivalent to the directors of a company and further amendments are made to Schedule 26 of the Act regarding the delivery of reports and accounts.

Finally, Mr Speaker, the Bill corrects the definition of 'the Fourth Council Directive' to 'Directive 2013/34/EU', which is a reference to Directive 2013/34/EU of the European Parliament and of the Council of 26th June 2013.

215 Mr Speaker, I commend the Bill to the House.

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

220 **Hon. E J Phillips:** Mr Speaker, we thank the Chief Minister and we will be supporting this Bill.

Of course, it should be remembered that in times of Brexit we, of course, have to be flexible in our response to business to allow for these further restructuring opportunities to continue. I am glad to see that the Government has listened to business and it is encouraging to see that we are now introducing this law to allow for those further restructuring opportunities for our
225 businesses.

Mr Speaker: Does any other hon. Member wish to speak on the Second Reading of the Bill?

I now put the question, which is that a Bill for an Act to amend the Companies Act 2014 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

230 **Clerk:** The Companies (Amendment) Act 2019.

Companies (Amendment) Bill 2019 – Committee Stage and Third Reading to be taken at this sitting

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move that the Committee Stage be taken later today, if all hon. Members agree.

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

European Union Withdrawal (Application of International Agreements) Bill 2019 – First Reading approved

Clerk: A Bill for an Act to provide for the application of certain EU-third country agreements and UK-third country agreements after Gibraltar's exit from the European Union or where there is an agreement under Article 50(2) of the Treaty on European Union, at the end of any
240 transitional/implementation period.

The Hon. the Deputy Chief Minister.

Deputy Chief Minister (Hon. Dr J J Garcia): I have the honour to move that a Bill for an Act to provide for the application of certain EU-third country agreements and UK-third country

245 agreements after Gibraltar's exit from the European Union or where there is an agreement under Article 50(2) of the Treaty on European Union, at the end of any transitional/implementation period 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 application of certain EU-third country agreements and UK-third country agreements after Gibraltar's exit from the European Union or where there is an agreement under Article 50(2) of the Treaty on European Union, at the end of any transitional/implementation period be read a first time. Those in favour. (**Members:** Aye.) Those against. Carried.

255 **Clerk:** The European Union Withdrawal (Application of International Agreements) Act 2019.

**European Union Withdrawal (Application of International Agreements) Bill 2019 –
Second Reading approved**

Deputy Chief Minister (Hon. Dr J J Garcia): I have the honour to move that the Bill be now read a second time.

260 Mr Speaker, the Bill before the House today is a contingency measure in the face of a no-deal Brexit. Members know that there is now a strong likelihood that the United Kingdom and Gibraltar may exit the European Union on 31st October without a withdrawal agreement. Having said that, the United Kingdom government have said that they continue to work towards a deal. Nonetheless, the political background in London is as fluid as ever. Members will be aware of the moves towards the parliamentary-imposed delay to our EU departure. They will also have heard the Prime Minister's address outside Downing Street, where he countered those moves with a possible general election.

265 Mr Speaker, we need to be prepared. That is why the Bill is before us today. The House will be aware that over the years the EU has entered into a number of agreements with third countries, being countries outside the European Union. In particular, those agreements have covered areas where the member states have ceded their competence to the European Union. Such agreements apply to Gibraltar by virtue of our membership of the EU and will therefore cease to apply as from exit day. This Bill makes provision for the application of certain of those international agreements – those that prior to leaving the European Union already apply to Gibraltar and which the United Kingdom has or is in the process of replacing with new agreements. As I will set out below, by including the replacement agreements in the schedule, such agreements will have force of law in Gibraltar.

275 I now turn to the specifics of the Bill. Clause 1 provides for the commencement of the Act to be by notice in the gazettes. The intention of the Government, however, is for the Act to commence on exit day.

280 Clause 2 provides definitions. I have given notice to Mr Speaker that I will be moving an amendment here at Committee Stage. This is in order to insert a further definition so that the definition of 'international agreement' is broad enough to encompass non-binding arrangements which may be necessary to bridge the gaps that may occur in cases where an EU agreement will cease to apply before the new agreement is fully in force.

285 Clause 3(1) and (2) together provide that international agreements that are contained in the schedule constitute the law of Gibraltar. This may be applied directly to the same extent as such agreements applied to Gibraltar before the relevant date. This includes multilateral agreements that remain in force and continue to apply to Gibraltar as a result of the United Kingdom becoming a party in its own right and extending those to us.

290 Subclause (3) provides an important clarification. This is that the reference in subclause (1) to agreements being applied to the same extent as EU third country agreements apply to Gibraltar

is to be interpreted as meaning that the scope of such international agreements is the same provided for by the EU treaties and EU law as it applied to Gibraltar before exit day. Therefore, an agreement would not fall outside the scope of subclause (1) merely because the successor agreement is not cast in identical terms to the agreement that it replaces or may replace.

295 Subclause (4) clarifies what is meant by 'provisionally applied' in subclause (1).

Subclause (5) confers a power on the Chief Minister to amend the Schedule by order.

Subclause (6) requires that any such order be laid before Parliament after it has been made.

Mr Speaker, the Schedule presently reflects the state of play as at the date of publication of the Bill. Since then, and more particularly when exit day arrives, more agreements will require
300 listing and therefore it is envisaged an order will be published around exit day itself and any further updates at suitable junctures thereafter.

I have also given notice of a small amendment to clause 3(1) consequent on the insertion of the new definition in clause 2.

305 Clause 4 requires a court or tribunal to read any provision of Gibraltar law in a manner that is compatible with an international agreement that is listed in the Schedule. Where it is not possible to do so, it requires that the terms of the international agreement take precedence over any law enacted before the relevant day.

Clause 5 confers a regulation-making power on the Chief Minister. This power may be exercised in connection with an obligation arising from a scheduled international agreement.

310 Mr Speaker, as I said earlier, this Bill arises from our departure from the European Union – or our potential departure – on 31st October. It provides a basis for a necessary legal framework for the application of certain international agreements to Gibraltar.

I commend the Bill to the House.

315 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? The Hon. the Leader of the Opposition.

Hon. E J Phillips: Mr Speaker, we welcome this contingency measure and we thank the Deputy Chief Minister for his explanation.

320 It now appears strongly likely, as he has said, that we will be leaving the European Union without a deal and therefore this is sensible and of course the correct way to proceed insofar as the amendment to the law is concerned. That is all we need say about the matter.

Mr Speaker: I now put the question, which is that a Bill for an Act to provide for the
325 application of certain EU-third country agreements and UK-third country agreements after Gibraltar's exit from the European Union or where there is an agreement under Article 50(2) of the Treaty on European Union, at the end of any transitional/implementation period be read a second time.

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

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Clerk: The European Union Withdrawal (Application of International Agreements) Act 2019.

European Union Withdrawal (Application of International Agreements) Bill 2019 – Committee Stage and Third Reading to be taken at this sitting

Deputy Chief Minister (Hon. Dr J J Garcia): I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

335 **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

Clerk: Committee Stage and Third Reading.

340 **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 Companies (Amendment) Bill 2019 and the European Union Withdrawal (Application of International Agreements) Bill 2019.

In Committee of the Whole Parliament

**Companies (Amendment) Bill 2019 –
Clauses considered and approved**

345 **Clerk:** A Bill for an Act to amend the Companies Act 2014.
Clauses 1 to 7.

Mr Speaker: Stand part of the Bill.

350 **Clerk:** The long title.

Mr Speaker: Stands part of the Bill.

**European Union Withdrawal (Application of International Agreements) Bill 2019 –
Clauses considered and approved with amendment**

355 **Clerk:** A Bill for an Act to provide for the application of certain EU-third country agreements and UK-third country agreements after Gibraltar's exit from the European Union or where there is an agreement under Article 50(2) of the Treaty on European Union, at the end of any transitional/implementation period.
Clause 1.

360 **Mr Speaker:** Stands part of the Bill.

Clerk: Clause 2 as amended.

365 **Mr Speaker:** The Hon. Minister has given notice that he has circulated an amendment. Can we take it that the amendment is approved? (**Members:** Aye.) So, clause 2 as amended stands part of the Bill.

Clerk: Clause 3 as amended.

Mr Speaker: Again, there is a small amendment to this clause, so clause 3 as amended stands part of the Bill.

Clerk: Clauses 4 to 6.

Mr Speaker: Stand part of the Bill.

Clerk: The Schedule.

Mr Speaker: Stands part of the Bill.

Clerk: The long title.

Mr Speaker: Stands part of the Bill.

**Companies (Amendment) Bill 2019 –
European Union Withdrawal (Application of International Agreements) Bill 2019 –
Third Reading approved: Bills passed**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the European Union Withdrawal (Application of International Agreements) Bill 2019 and the Companies (Amendment) Bill 2019 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, which is that the Companies (Amendment) Bill 2019 and the European Union Withdrawal (Application of International Agreements) Bill 2019 be read a third time and passed. Those in favour? (**Members:** Aye.) Those against? Carried.

FIRST AND SECOND READING

**Fair Trading (Miscellaneous Repeals and Amendments) Bill 2017 –
For First Reading**

Clerk: Bills – First and Second Reading.

A Bill for an Act to repeal certain provisions and to amend others of the Fair Trading Act 2015 relating to business licensing, in particular as regards the dissolution of the functions of the Business Licensing Authority; to provide for the exchange of information or intelligence between the Office of Fair Trading and relevant agencies and bodies; to modify and clarify the meaning of certain terms; and for related purposes.

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should now adjourn. As I do, I am going to move that the House should adjourn to Tuesday, 17th September at 3 p.m. Between now and then we will enjoy the festivities of our National Day. But I think I should just give a health warning to hon. Members and those who will be watching in the community that, as I said when we last adjourned, given what is happening in the United Kingdom it is not impossible that the Government may need to exercise the powers set out in the Standing Orders and Rules to recall Parliament before that date. Otherwise, I hope to see all other hon. Members in the House on Tuesday the 17th at 3 p.m.

405 **Mr Speaker:** The House will now adjourn to Tuesday, 17th September at three in the afternoon.

The House adjourned at 11.34 a.m.