



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.

20 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 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, particularly when people have been exploited, as agency workers have, as a consequence of the
100 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.

140 In December 2011 he said that he had found an impenetrable curtain. Those were his words: 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 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, 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*)

175 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 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 proceeds 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 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.

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.

370 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 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.

380 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 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

385 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
390 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
395 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
400 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
405 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):
410 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
415 *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
420 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,
425 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
430 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
435 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 Gibraltar 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.

540 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 –

545 **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.

550 **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.

555 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*)

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

Hon. D A Feetham: Mr Speaker, I hesitate to give the hon. Gentleman a history lesson.

570 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!

575 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.

580 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.

585 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*)

590 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.

595 **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 –

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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?

605 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.

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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.

615 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.

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Hon. D A Feetham: Well, you walked straight into that, I have to say!

625 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.

630 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.

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Hon. D A Feetham: Well, it is not going to be a secret after I finish now.

640 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.

695 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?

700 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*.

705 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.

710 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?

715 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.

720 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?

725 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.

730 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

845 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.

850 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.

855 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.

860 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.

865 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.

870 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**
875 **Member:** Hear, hear.) (*Banging on desks*)

880 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.

885 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.

890 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
895 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.

900 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.)**

905 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.

910 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.

915 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.

920 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.

925 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)*

935 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)*

940 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.

1000 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
1005 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.

1010 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.

1015 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
1020 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.

1025 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?

1030 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.

1035 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
1040 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?

1045 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.

1060 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*)

1065 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.

1070 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 Hillside and John Mackintosh Home. When will this happen?

1075 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.

1085 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.

1090 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.

1100 **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 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.

1135 **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 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.

1140 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 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 at working group stage within my party, with members comprising of law enforcement workers, drugs strategy workers and mental health professionals.

1145 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 manifesting some worrying authoritarian tendencies – only to watch him applaud a retired drug strategist advocating for decriminalisation weeks later. Quite incredible, Mr Speaker.

1150 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.

1310 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.

1315 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.

1320 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.

1325 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.

1330 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.

1340 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.

1345 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*)

1355 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.

1375 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 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.

1385 Their role is viewed by many teachers as one of enforcement rather than one of support. 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.

1390 The staff at the Department of Education must remember its own teaching roots and begin acting like leaders and not managers. The *status quo* must change.

1395 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 prosperity to Gibraltar.

1400 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 own admission of having inflated Civil Service and public sector wages by as much as 40% above parity.

1405 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 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

1410 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,
1415 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
1420 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
1425 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
1430 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
1435 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.
1440 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
1445 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
1450 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
1455 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
1460 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.

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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.

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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.

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We have to overhaul investment and spending practices so that Government receives best value with no leakage to friends and family on the way.

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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.

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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.

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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.

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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.

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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.

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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.

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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 the people of Gibraltar so wish, will be a first term and not a last.

1520 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 have, on many occasions, crossed. Thank you.

1525 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 Bill.

1535 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.